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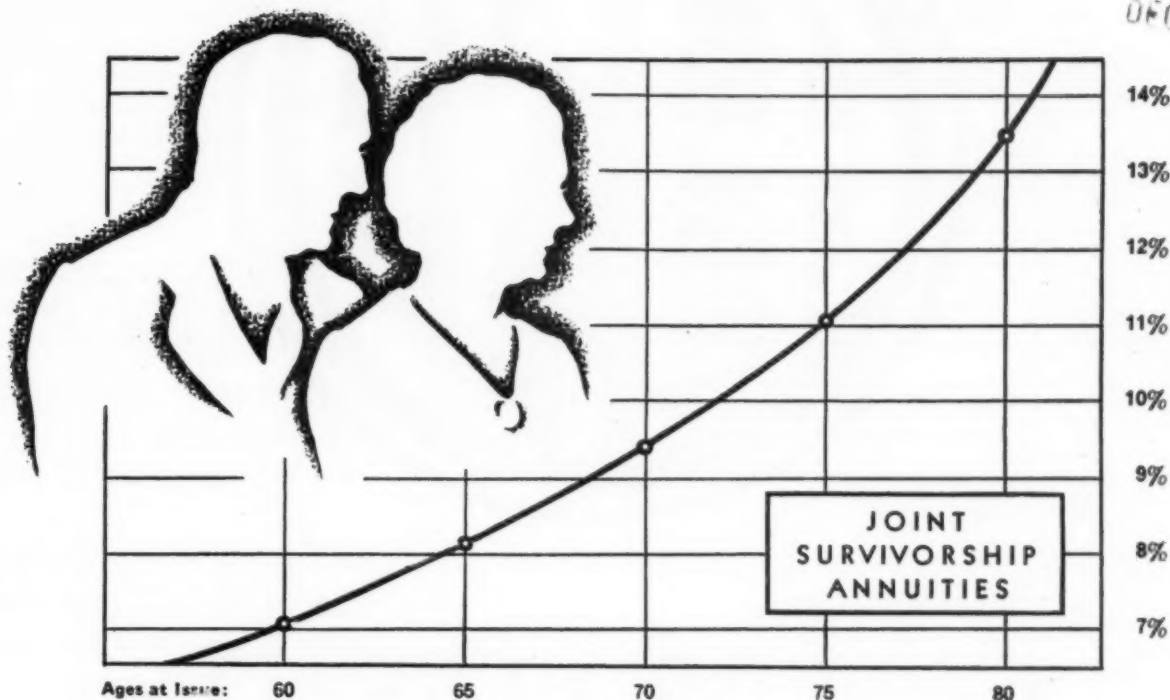
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The National Life Insurance Writer

LIFE INSURANCE

JOINT SURVIVORSHIP ANNUITIES

FRIDAY, DECEMBER 30, 1932



DEC 30 1932

B8

Security and Maximum Income

The above chart shows how large the annual income will be when a man and wife (of equal age) invest their savings in a Joint Survivorship Annuity in order to secure a fixed, guaranteed income so long as both or the survivor lives.

As you will notice, the annual return or yield on their single payment ranges from 7.2% if they are 60 to 13.5% if they are 80. And, of course, other age combinations give either larger or smaller returns.

Individual annuities are also available which would provide a still larger total income while both are living. But, since the income for the survivor would then be smaller, the choice of plan depends entirely upon needs and circumstances.

As for the security behind its guarantees, it is significant that the Phoenix Mutual, by its conservative financial management and 81-year record of service, has earned a degree of public confidence without which the following fact would not be possible.

In annuity income payments alone, the Phoenix Mutual is now distributing nearly \$3,000,000 a year.

In other words, Phoenix Mutual Annuities offer just what your clients want — security and maximum income.

It will be worth your while to keep this in mind. Or, better still, why not write today for a schedule of rates in order to have the facts at hand and ready for use.

PHOENIX MUTUAL LIFE INSURANCE COMPANY

Home Office: Hartford, Connecticut

Established in 1851



CELEBRATES ITS
EIGHTY-SECOND
ANNIVERSARY

ÆTNA LIFE INSURANCE COMPANY
HARTFORD CONNECTICUT

At Your Service!

The B. M. A. salesman is always at the service of our policyholders. One of the rigid requirements of a salesman who associates himself with this Company is that he devote his entire time to the interests of the Company and its clientele.

In this way he not only has time to become thoroughly versed in our contracts, but he is required to prepare himself to properly present the complete line of Guaranteed Low Cost insurance; to analyze the needs of his prospects and to prescribe the proper policy to meet those needs.

The full-time, trained salesman maintains contact with the policyholder, prepared to serve him whenever he needs insurance advice or service. In fact, the B. M. A. believes

That each policyholder needs and is entitled to a personal service which can only be obtained through personal contact with trained representatives; that this service can be properly provided only through representatives who devote their full time to this Company and the interests of its policyholders and who have been trained to properly present the service which our Company offers.

BUSINESS MEN'S ASSURANCE COMPANY

KANSAS CITY, MISSOURI

More than \$28,500,000.00 in Benefits Paid Policyholders and Beneficiaries Since Organization

Make your work easier with these practical tools

LIFE UNDERWRITERS find there is no substitute for work. Work—the proper application of energy—still remains a fundamental requisite to success in life insurance.

Work plus the practical tools offered agents by this company make a combination hard to beat. Here are some of the tools offered our agents which will also help make your work more remunerative and easier.

- a liberal agency contract
- a complete line of modern policies
- juvenile policies, sub-standard
- double indemnity, total disability
- low non-participating rates
- organized presentations
- a fool-proof visual sales kit
- a daily working plan
- a condensed but comprehensive training plan
- a conservation program that helps keep policyholders sold and reduces lapses

Connect with a company that will give you the greatest help and make it as easy as possible to operate. For openings in Ohio, Michigan, Illinois, Indiana, Kansas, Oklahoma or Texas, write George L. Grogan, Vice President, in Charge of Agencies.

The Federal Reserve Life Insurance Company

Kansas City, Kansas



Welcome 1933

NINETEEN hundred and thirty-two will soon become history. It was an unusual year. Many heavily watered stocks lost their wetness and became so dry the dew of the dawn of a new period will be required to revive them.

Nineteen hundred and thirty-two was a year in which selfishness went into bankruptcy and unselfishness rose above par. We welcome 1933 because it marks another milestone in our Nation's progress. We do not attempt to predict what 1933 has in store for the world. It will be recorded by the future historians.

We believe for the individual who has vision and initiative, 1933 will offer unusual opportunities. No profession will offer greater advantages than life insurance offers to its salesmen who are trained to meet the underwriting problems of 1933.

The institution of life insurance has stood the test of adversity and has justified the claims of its ambassadors—life insurance salesmen—that it will come to the rescue in times of emergency.

The millions of dollars paid to policyholders in maturities, loans, and otherwise at a time when cash could not be obtained from other sources is convincing testimony of the stability of Life Insurance.

While self-protection is a factor in the purchase of life insurance, the most powerful motive is unselfishness. Unselfishness being uppermost in the literature, minds and hearts of men and women of the present, an additional favorable force is given to the life insurance profession.

With almost universal approval of the institution of life insurance; with experience that proves the value of life insurance as protection and investment for income; with safety of the principal assured; the life insurance salesman begins the year with more factors in his favor than any previous period in the world's history.

Sales Helps

The Ohio National Life Insurance Company through the cooperation of its Home Office and Managers is prepared to furnish training required for the 1933 life insurance salesman. The Company offers:

1. A brief beginner's training course.
2. A copyrighted visualized sales plan.
3. A policy contract at a low premium to offset estate losses.
4. A plan that easily visualizes an Adjustment Income for the prospect.
5. Policies payable in annual installments and on the single premium basis that guarantee a retirement income.
6. Personal assistance of trained salesmen—teaching how to sell under modern conditions.
7. A definite work plan detailing the program of a successful life underwriter.

These are some of the many reasons why "It Pays to Tie Up with The Ohio National."

Salesmen wanted in select locations in the following states: California, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Missouri, Nebraska, Ohio, Oklahoma, Pennsylvania, and Texas.

THE OHIO NATIONAL LIFE INSURANCE COMPANY

T. W. Appleby,
President

CINCINNATI, OHIO

E. E. Kirkpatrick
Supt. of Agencies

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Sixth Year No. 53

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 30, 1932

\$3.00 Per Year, 15 Cents a Copy

Record Fine But Need Renovation

Prof. McCahan of American College Discusses Life Insurance Before Economic Association

LOANS, LAPSE BIG ISSUE

Agency Turnover Correlated Problem—
Risk Selection, Quality Production
Also of Paramount Importance

Facts and figures to show that life insurance has emerged triumphant from three years of economic upheaval and depression, whereas many giant businesses and financial institutions collapsed, were given by Professor David McCahan of the Wharton school of finance and commerce, University of Pennsylvania, secretary and assistant dean American College of Life Underwriters, before the insurance round table of the American Economic Association in its meeting at Cincinnati Wednesday.

However, he said life insurance men must not blind themselves to the fact that some renovations in the institution are in order, simply because the foundation principles have been sound and have withstood the storm.

Ordinary Mortality Higher

Although general health conditions among policyholders improved during the depression, the death rate per 100,000 for ordinary and industrial business being lower for the first ten months of 1932 than for a similar period in any of the preceding ten years, and the average for the last three years better than for any one of the eight years preceding 1930, save 1927, he said this record is largely due to inclusion of industrial. If ordinary were taken by itself, the death rate for the first ten months of 1932 was higher than for any of the preceding ten years except 1929 and the average for the three years of depression substantially higher than for any of the eight years preceding 1929.

Two principal reasons for the poor showing on ordinary were given, one, mortality due to suicide, the suicide rate per 100,000 for the first ten months of 1932 being 39.9 as contrasted with 33.6 in 1931, 29.7 in 1930 and an average of 20.1 for the eight years preceding. Modification of the suicide clause has been much discussed and it seems likely, Dr. McCahan said, many future policies will contain a two-year provision.

Jumbo Policy a Factor

Another important influence on mortality ratios of ordinary business was jumbo policies, the mortality in this class being much higher than under smaller forms. Lowering of retention limits, more rigid examination and lengthening of the incontestable period

(CONTINUED ON LAST PAGE)

Tyrrell in Annual Review

Life Insurance Achievements in Year of Hard Work,
Promising Outlook for Future Are Touched on by
Legislative Counsel of Northwestern Mutual

The annual review of life insurance by Henry F. Tyrrell, legislative counsel of the Northwestern Mutual, presented below is a tradition in the business. As usual his review is also a medium for prophesying future trends. The prospect, he finds, is entirely promising.

By HENRY F. TYRRELL

Precisely how to classify and to interpret the experiences of the year 1932 in their relationship to all concerned in the business of life insurance, depends to a large extent on the point of view, for 1932 palpably was a year of hard work, much gratuitous service, and reduced income on the part of the agent; to the official in the home office, it was one of restless nights, anxious days and trying months, while in the knowledge of the general public, it was one of revelation which resulted in a much better understanding and appreciation of the "depression-proof" character of the business.

As to all three of these constituents of life insurance, there was one common requirement imposed which is offered as a distinct feature. That indispensable requisite was thought. It was thought and hard work that made the agent more earnest, more alert, more efficient, more serviceable and more keenly sensible of the obligations of his profession.

Executives Gained Clearer Conception of Responsibilities

It was intensive thought interpreted into performance that brought to the executive a clearer conception of his grave responsibilities, that inspired him to a more zealous attempt to fulfill all the duties imposed upon him, that moved him to a fervent hope to amplify the service of life insurance to meet the demands of new and most unusual conditions. It was thought and the soundness of the business that gave to the public both appreciation and understanding of it.

Typical and traditional treatment of an annual review, however, demands financial figures, and the reviewer must respect the conventional. It is, therefore, promptly noted that the gross additional life insurance put upon the books of American life insurance companies in the year 1932, including revivals, increases and dividend additions, reached the grand total of \$14,700,000,000, which, reduced to a percentage, was 23.7 below the peak figure for 1929.

At first blush, a percentage of this size appears alarming. It need not be. On the contrary, compared with the industrial production of the United States, it is really assuring, for the United States Chamber of Commerce estimates that the industrial production of the country during 1932 fell off 46.2 percent from its peak year 1929.

The exclusively new life insurance put upon the books in 1932 amounted to

\$9,300,000,000, representing a decrease of 15.5 percent as compared with the new business of 1931. Even this seemingly large percentage need not be disconcerting in the face of the representation that income from manufacturing alone decreased 32.7 percent in the year, and salaries and wages fell off an approximate 32.5 percent.

Even with the decrease in new output here noted, is it not a fact that the business actually placed represents more in purchasing power and creature comforts than did the larger amount in 1931? In other words, is this apparent percentage of decrease a real decrease in potentiality, after all? It might be interesting to probe further into this, but time and space will not permit.

Let us not forget, too, that the life insurance sold in these troublous days was well sold, and that it will show a high degree of persistency. Think that over!

The total amount of life insurance in force in the United States on Jan. 1, 1933, will approach the gigantic total of \$103,700,000,000, apportioned to 65,000,000 policyholders, or over one-half the

(CONTINUED ON PAGE 10)

Writes Review



HENRY F. TYRRELL

Every year at about this time life insurance men read with interest the observations of Henry F. Tyrrell, legislative counsel of the Northwestern Mutual Life, on the salient events and trends in the business during the year closing. Mr. Tyrrell has been an on-looker and participant in the great drama of life insurance for a long time. He has a philosophic viewpoint and maintains an optimistic outlook.

Surrender Charge of Great Interest

Action in Force Jan. 1 Among
Many Companies Argued
Pro and Con

EXECUTIVES GIVE VIEWS

Huge Lapsation and Cashing in Due to
Depression Puts Question in
Limelight

NEW YORK, Dec. 29.—The number of companies whose increased surrender charges will go into effect within a few days is indicative of the interest being shown in this subject, which has been the theme of more than one address before actuarial gatherings since the onset of the depression.

The volume of loans and surrenders resulting from present business conditions has brought the question into the limelight and greatly intensified the interest of life company executives in determining just what constitutes a proper charge, both from the point of view of abstract justice and of practical financial operations.

Favor High Early Charges

Most of the feeling has been in favor of higher charges in the earlier policy years, those making upward revisions being almost entirely in the group with low surrender charges in the early years. However, a warning against extremes in penalizing the surrendering policyholder was voiced by President John R. Hardin of the Mutual Benefit in speaking before the Life Presidents Association earlier this month. Mr. Hardin stated that in his view, "if surrender charges are made punitive, it will be a backward step in life insurance history." He further said that he was personally inclined to the view "that the cash paid directly to living policyholders, in these times of individual pressure, enabled the life insurance institution to render a more helpful and beneficial aid to life insurance patrons than resulted from the cash payments made on policies which were matured by the death of the insured."

Pay Price for Privilege

While the need of an otherwise unnecessary degree of liquidity in order to meet these demands might affect dividends and net costs, Mr. Hardin declared, "that part at least of the additional cost may be fairly said to be the price that policyholders pay for the right, whether exercised or not, to demand cash loans and cash surrender values."

The dangers of too great liberality in cash values were pointed out by President M. A. Linton of the Provident Mutual in his address before the Actuarial Society of America at Ottawa. Mr. Linton made the point that the present de-

(CONTINUED ON PAGE 13)

Reinsurance Proposals May Be Submitted Up to Jan. 19

LAST MINUTE BIDS EXPECTED

Second Report of Auditors on Illinois Life Probably Will Be Presented This Week

The final date for submitting bids for the reinsurance of the Illinois Life business is Jan. 19. The receiver, Gen. Abel Davis, anticipates that several proposals will be submitted at the last minute to prevent any possibility of competing proposers attempting to better the terms submitted. Of course, the receiver may ask for an extension of time for receiving and analyzing proposals.

In his report on reinsurance of the Illinois Life business, the receiver will present an analysis of the bids submitted and will make recommendation. It may be stated that the various mutualization plans, which have been submitted, are not being given serious consideration. The receiver seems to be interested, above all else, in the stability and standing of the reinsuring company.

Second Report Expected

The next step on the receiver's part will be submission to the court of a second auditor's report on the Illinois Life by Arthur Young & Co. This report probably will be submitted Friday of this week. It will be an elaboration of the tentative report, which was submitted two weeks ago, and will go into greater detail.

General Davis visited President M. J. Cleary of the Northwestern Mutual Life last week. It was made clear that the Northwestern Mutual is not interested in reinsuring the Illinois Life business, but that Mr. Cleary was consulted by General Davis for disinterested counsel.

Intervention Is Allowed

Federal Judge Wilkerson has permitted Attorney H. J. Friedman to intervene in the receivership suit in behalf of 10 small policyholders. The judge also granted permission to intervene to Attorneys R. E. Elliott and J. T. Kiggins in behalf of a so-called protective committee of policyholders headed by R. N. Ballou. James M. Crume, who was receiver for the Chicago National Life, is interested in this move.

In these receiverships, there appear in the arena numerous persons with various interests and various objectives.

In view of the Illinois Life situation, those close to Governor-elect Horner state that he will present vigorous proposals as to insurance administration in his message to the Illinois legislature.

The Cook county state's attorney and the United States district attorney are still investigating whether grounds exist for seeking indictments. The receiver is investigating the resources of the Stevens families to decide whether to attempt to get judgments against them. E. J. Stevens, who resigned as co-receiver of the Stevens Hotel and of the La Salle Hotel, has now been appointed manager of the Stevens Hotel by the receiver for that property.

The receiver, on his own petition, has been authorized to cooperate with the Reconstruction Finance Corporation in collecting loans and mortgages which the R. F. C. is holding as collateral for a \$1,112,750 loan to the Illinois Life.

Celebrate Silver Anniversary

BIRMINGHAM, ALA., Dec. 29.—The Protective Life is holding a silver anniversary jubilee convention here in celebration of its 25th year in business. More than 350 agents, officers and directors are attending. The silver anniversary banquet will be held Friday night.

Nebraska, Texas to Follow Resolution on Valuations

Commissioner Tarver of Texas has advised all companies that the Texas department will follow in its entirety the resolution adopted by the National Convention of Insurance Commissioners as to the valuation of securities in the 1932 annual statements. If amortized values of bonds are used, schedule D, part 1, must be completed accordingly, Mr. Tarver states. The market value of bonds must also be given, even though the amortized basis is used for adjustments on page 4 of the statement.

NEBRASKA FALLS IN LINE

LINCOLN, NEB., Dec. 29.—Commissioner Herdman has announced that he will follow the recommendation of the National Convention of Insurance Commissioners in the valuation of assets. Mr. Herdman said he is convinced that market quotations at the present time do not represent actual values, and that the interests of the policyholders can be fully protected by an intelligent watchfulness over the assets as listed by the companies.

WISCONSIN AMORTIZATION RULING

MADISON, WIS., Dec. 29.—Commissioner Mortensen, in notifying companies operating in Wisconsin that they must file their annual statements on the basis of actual market value of securities Dec. 31, states that life companies and fraternal are permitted to amortize certain securities, but fire and casualty companies are not allowed by law to avail themselves of that privilege.

VALUATIONS IN CANADA

TORONTO, Dec. 29.—Announcement is expected within a few days, of methods of security valuation to be permitted by the Dominion department this year. It is expected that these will be similar to the rulings adopted by the state departments in the United States, though, as last year, there will be some variations in the Canadian practice. While some securities held by the Canadian companies, including most Canadian government and municipal issues, have a better market value than a year ago, there have been a number of defaults, of which account must be taken in the statements of assets this year.

Draft Nebraska Insurance Bills

LINCOLN, NEB., Dec. 29.—Bills are being prepared by Nebraska insurance interests for introduction at the coming session of the legislature, increasing the capital and surplus which domestic companies must have before they can begin business, and requiring a larger amount of surplus notes to be posted with the commissioner by mutuals.

Another bill will revive the old law defining the qualifications of the insurance commissioner, which prohibited the naming of any person for the place who is directly or indirectly interested in any insurance company, except as an ordinary policyholder. When the new code was adopted in 1921 it gave the department of trade and commerce complete supervision and regulation of insurance, but omitted any recitation of qualifications for the deputy in charge of this work.

Will Report at June Meeting

Superintendent Warner of Ohio, chairman of the committee on laws and legislation of the National Convention of Insurance Commissioners, to whom was submitted at the New York meeting the question of a standard agents' qualification law, says the committee will receive suggestions from different groups of agents and companies as well as insurance departments and will aim to make a report at the June meeting in Chicago.

State Mutual Life Meeting Will Be at Home Office

TO HAVE JOINT CONVENTION

Some of the Features for the Conferences Have Been Announced by Officials

WORCESTER, MASS., Dec. 29.—The State Mutual Life will hold a joint convention for the home office and the field June 28-30 at the home office here. Group conferences, practical sales suggestions and demonstrations especially adapted to individual problems will be featured at the meeting.

As Vice-president Stephen Ireland pointed out in making the announcement, the program will be much wider in scope than any which could be arranged at a remote point, since the entire home office will be at the disposal of the delegates. Qualification requirements will be modest, and emphasize a phase of effort which is steadily increasing in importance—new lives.

The club year runs from Dec. 1, 1932 to May 31, 1933. Those licensed prior to Dec. 1 may qualify by paying for a minimum of \$75,000 on eight or more lives or a minimum of \$50,000 on 20 or more lives. Agents licensed after Dec. 1 may qualify by paying for insurance on 15 lives, regardless of volume. Qualification requirements for general agents will depend on the number of their agents qualifying or their own personal production.

The officers and executive committee of the General Agents Association of the State Mutual Life will meet at the home office in Worcester Jan. 16 and will meet with the officers of the company on the following day, at which time the annual meeting of the company will also be held. Officers of the association are F. W. Pennell, New York, president; G. S. Lott, Dayton, O., vice-president; T. F. Hazen, Jr., Knoxville, secretary-treasurer; executive committee, E. L. Beesley, Syracuse, A. O. Fersch, Davenport; G. A. Reem, Detroit.

S. C. Punitive Law Source of Increasing Irritation

The South Carolina law, providing grounds for recovering punitive damages against an insurance company as well as the amount of the contract obligations, is an increasing source of irritation to life and accident companies. One company at least has decided not to ask for renewal of its license in that state because of this statute.

One of the latest cases in point is the decision of the South Carolina supreme court in Derrick vs. North Carolina Mutual Life. The supreme court upholds a verdict for \$200 actual and \$150 punitive damages. The insurer contended that the beneficiary was entitled to only \$50.

Under the policy at issue, if death occurs during the first 12 months resulting from consumption, tuberculosis or nephritis, only one-fourth of the amount of the policy would be paid. The cause of death was given as acute nephritis and acute bronchial pneumonia with contributing cause of chronic pulmonary tuberculosis.

The physician testified that the main cause of death was bronchial pneumonia.

The insurer was assessed punitive damages on the ground that the plaintiff did not voluntarily deliver the policy to the company, but surrendered it upon the company's promise to pay him the whole amount and not \$50 and, that after the company got possession of the policy, it persistently refused to return it or to pay anything. The question was whether, by a false promise the insurer gained possession of the plain-

Important Issue Arises on First Mortgage in Chicago

INTEREST IN THE CONTENTION

Attorneys Claim That a Non-State Life Company Shall Be Regarded as a General Creditor

Insurance executives are vitally interested in the issue that has arisen over the Blackstone hotel obligations in Chicago. The Metropolitan Life has a claim of \$1,615,000 against the Blackstone hotel and filed a petition for a foreclosure sale. It has some \$150,000,000 in Illinois mortgages and other life companies have similar investments amounting to \$500,000,000. The point which has been raised in connection with the Blackstone hotel bankruptcy petition is that while the Illinois insurance department licenses companies to engage in writing insurance business, it does not authorize them to engage in general business in Illinois. This argument was presented by attorneys representing the receivers who took charge and manage the hotel. The Metropolitan's loan involves a first mortgage. The attorneys for the receiver in resisting the foreclosure order declared that because of the lack of state authorization, the Metropolitan Life loan should not be regarded as a first lien but that the company should be considered as a general creditor. If this ruling is sustained the Continental-Illinois National Bank & Trust Co., as holder of second mortgage would be given priority.

Attorneys for the Metropolitan Life contended that a ruling of this nature would be against public policy. One of the attorneys held that though there be no specific authorization it was the natural course for a company to invest in a state some of the premiums within its bounds. He said that if an outside company is not free to invest in a state it would change the whole complexion of life insurance investments and would mean a financial loss to the various states.

Federal Judge Wilkerson of Chicago has taken the matter raised by the attorneys for the receiver under advisement but he indicated that he is very much disgusted with the issue that has arisen.

Loyal Legion Week Brings Equitable \$51,055,000 Apps.

The "Loyal Legion" week campaign of the Equitable of New York, Dec. 12-17, resulted in \$51,055,000 of production. There were 14,985 applications submitted by 9,163 agents on the week's work. Out of 110 agencies, 59 scored 100 percent, recording at least one app for each agent under contract. In the similar campaign a year ago only 8,203 agents scored.

The central department led, 2,973 agents writing 4,566 apps for \$15,450,000 and 16 agencies reporting 100 percent production. Next came Greater New York department, 2,010 agents writing 3,989 apps for \$14,763,000 and 16 agencies being 100 percent.

Third was the eastern department, 1,995 agents writing 3,273 apps for \$11,209,000 and 14 agencies being 100 percent. The western department was fourth, 1,645 agents writing \$5,316,000 of business and three agencies being 100 percent. Fifth was the southern department, 1,096 agents writing \$4,314,000 and 10 agencies being 100 percent.

The plaintiff's policy with the intention of depriving him of the use of it in the collection of his claim and thereby practice a fraud upon him. The testimony was in sharp conflict, the state supreme court declared, which made questions of fact for the jury.

Hope to Work Out Voting Trust Plan

Commissioners Seek to End Inter-necine Strife in Missouri State

TWO FACTIONS AT WAR

Outlook Indicates That the Nardin Administration Forces Now Have Situation in Control

ST. LOUIS, Dec. 29.—Much interest has been injected into the Missouri State Life administration following the publicity that was broadcast throughout the country that it had guaranteed a loan of \$800,000 made by three St. Louis banks to the Insurance Equities Company of New York, which is managed by Julius H. Barnes and associates. President W. T. Nardin of the Missouri State declares that he welcomes a complete investigation of its \$850,000 loan from the Reconstruction Finance Corporation last July if Congress so desires. United States Senator Wagner of New York declared that he would look into the charges that the R. F. C. had made this loan and that out of it the Missouri State had guaranteed the \$800,000 loan. Attorney C. E. Smith, counsel for Lieutenant Governor Chandler of Kentucky, evidently wired Senator Wagner that the matter should be investigated. President Nardin said that the Reconstruction loan was for the purpose of meeting unusual policyholders loan applications in the summer. The \$800,000 loan was made by the First National Bank, Boatmen's National Bank and the Mississippi Valley Trust Company, it being guaranteed by the Missouri State.

Issue Over the Voting Trust

At the meeting of the board of the Kentucky Home Life last week with State Auditor Talbott of Kentucky, it was surmised that the object of the state auditor and his cohorts at Louisville was to endeavor to scrap the five-year voting trust agreement which Insurance Superintendent Thompson of Missouri demanded and will endeavor

(CONTINUED ON PAGE 12)

Senator Wagner Declares Investigation Will Be Made

WASHINGTON, D. C., Dec. 29.—Exhaustive investigation of the activities of the Reconstruction Finance Corporation has been demanded by Senator Wagner of New York on the basis of complaints received from C. E. Smith, counsel for Lieut. Gov. Chandler of Kentucky, coreceiver of the Inter-Southern Life. The inquiry would revolve around advances made by the corporation to the Missouri State Life of \$500,000 and guarantees alleged to have been made by the corporation of a loan of \$800,000 by St. Louis banks to a holding company headed by Julius H. Barnes.

The relending of the "taxpayers' money" was not contemplated by the reconstruction and general relief acts, according to Senator Wagner, who declared: "The complaints merit careful attention. The purpose of the Reconstruction Finance Corporation and the general relief acts was not to advance federal funds to business concerns so that they could make loans to somebody who wanted to buy something. The purpose was to relieve distress."

Shifts in the Aetna Life



E. A. MULLER

Following the election of Manager S. T. Whatley of the Aetna Life in Chicago as vice-president at the head office to succeed K. A. Luther, other shifts were necessary. R. S. Edwards goes to Chicago from New York, relinquishing charge of the 42d street agency, of which



R. S. EDWARDS

he was the head. E. A. Muller, general agent at 225 Broadway, New York City, will have charge of the Edwards agency, which will be a branch office of the agency to be conducted by Mr. Luther and R. H. Keffer, now at 100 William street, with Mr. Keffer as manager.

Illinois and New York Laws Compared on Investments

The Chicago daily papers have had a number of stories following the collapse of the Illinois Life, leaving the impression that the Illinois insurance laws, and especially those relating to investments, are very weak. Federal Judge Wilkerson at Chicago in some of his reported comments seems to indicate that if the Illinois investment laws had been stronger the Illinois Life would have been saved. One of the Illinois company executives has made comparison of the laws of New York and Illinois governing investments by life companies. It reveals the following:

Laws of Two States Compared

"The investment laws of the two states are practically identical with two important exceptions. Both laws permit investments in bonds of the United States, of states and of any political subdivision thereof. Both laws permit investments in the bonds of railroads, public utilities and so-called industrial companies. Both laws permit investments in the preferred or guaranteed stocks of corporations whose earnings for the past five years have been 4 percent of the capital stock. There is a slight difference between the two states as respects a limitation put upon the amount of preferred and guaranteed stock investments. Both states provide that not in excess of 10 percent of the total stock of such corporation may be purchased. New York further limits any one such investment to 2 percent of the total assets of the life company, while the similar limitation in Illinois is 5 percent. In both states investments may be made in real estate for home office use and in policy loans. Both states limit the amount of investments in certain limited securities of foreign countries to the amount of such securities required to be deposited in such country for the purpose of doing business there. Both states permit the making of collateral loans subject to substantially the same limitations. Both states forbid investment in or loan upon the stock of another life company or its own

stock. Both states require that investments must be authorized by the board of directors or a committee thereof. Both states forbid in identical language the company from entering into any underwriting agreement for the purpose or sale of securities or to withhold from sale any of its property.

Points of Difference

"The two important points of difference between the two laws are:

"1. The Illinois law permits investment in the common stocks of corporations except mining companies and industrials. This has been construed as permitting investment in common stocks of railroads, public utilities and banks. New York law does not permit investment in any common stock.

"2. Both New York and Illinois permit investment in bonds and mortgages on unencumbered real estate. New York permits such loan up to 66 2/3 percent of the appraised value of the property. In Illinois such loan cannot be made in excess of 50 percent of the appraisal.

"There are some differences between the laws of both states in verbiage and there may be some differences in rulings interpreting the law which have not been compared, but the foregoing gives substantially the comparison between the two investment laws."

Joins Farm Mortgage Conference

The Connecticut Mutual Life has become affiliated with the Insurance Farm Mortgage Conference and will hereafter send a representative to attend the meetings. The Connecticut Mutual's membership brings the number of companies in the conference to 15, with the total amount of money invested in farm mortgages at almost \$1,500,000,000. It is expected that two prominent New York companies will also join the conference, bringing the total investment at stake to \$1,800,000,000. S. F. Westbrook, vice-president Aetna Life, is chairman of the conference.

The Northwestern Mutual Life has also joined the conference.

Battle Is Shifted to Kentucky Home

Strenuous Sessions Follow Transfer of Interests in Louisville Company

SOME DIRECTORS RESIGN

Julius Barnes-Frank Cohen Group Seems To Be Sitting Safely in the Saddle

LOUISVILLE, Dec. 29.—Affairs have been rather strenuous in the Kentucky Home Life since it was known that the Insurance Equities Corporation, managed by Frank Cohen and Julius Barnes of New York, had purchased the A. M. Greenfield interest. State Auditor Talbott demanded the resignation of all the officers and directors of the Missouri State who had anything to do with the guarantee of the \$800,000 loan to the Insurance Equities. Federal Judge C. I. Dawson of this city, chairman of the Kentucky Home and a member of the board of the Missouri State, resigned from the St. Louis company but that created no excitement here. At the strenuous meeting of the Kentucky Home board last Thursday, which lasted until 2:30 a. m. Friday, former Senator James A. Reed of Missouri was present to represent the Barnes crowd. On Saturday Judge Dawson, chairman of the board of the Kentucky Home Life, resigned his position. In his statement he said that he stepped into the chairmanship at the earnest request of the Kentucky insurance department as an emergency existed over the condition of the Inter-Southern Life. He said that he could not refuse to render this service to policyholders. Having rendered the particular service he said that he believes that he can be of no further help.

Some Directors Resign

State Auditor Talbott is trying to enforce demands, having to do with the reinsurance contract made some months ago between the Kentucky Home and the receivers of the Inter-Southern. Ernest Woodward of this city, a director of the Missouri State, resigned from the board. Two more directors of the Kentucky Home Life resigned including Ben Williams, Jr., of Ashland, Ky., and S. L. Guthrie of Bardstown, Ky., the latter continuing, however, as secretary and treasurer. Mr. Williams indicated that he was not in accord with the attitude of the majority of the directors of the Kentucky Home toward the Kentucky department.

It would not be surprising to see the Missouri State later on take over the Kentucky Home Life and thus eliminate the constant strife over the 148,050 shares of Missouri State stock that the Kentucky Home owns.

Strenuous Sessions Held

There were strenuous sessions of the directors of the Kentucky Home Life of Louisville last week, there being two sharply contesting sides. The A. M. Greenfield group of Philadelphia owned 75 percent of the company and the Julius H. Barnes-Frank Cohen group of New York owned one-fourth. The big plum was 148,050 shares of Missouri State Life stock held by the Kentucky Home Life. It was this that brought forward the famous loan by three St. Louis banks backed by a guarantee of the Missouri State Life for \$800,000 whereby Mr. Greenfield's interest was purchased. State Auditor J. D. Talbott

(CONTINUED ON PAGE 13)

"A Source of Comfort Through the Years"

The Record of a Small Policy

THE following letter from a Wisconsin clergyman illustrates strikingly how even a small life policy *kept in force* may be the chief or sole means to security and peace in the later years of life:

"My mind goes back across the years, to an afternoon in North Dakota, when a representative of the New York Life came to my home and urged me to take out some Life Insurance. I believed in insurance but was too poor to make a start. I was so short of money that the agent had to lend me the money for my first premium. My only regret is that I did not let him make it three thousand instead of one, as he wanted to do.

"It has been a source of comfort through the years, to have even so small an amount in a safe place. Now we are no longer young, and have decided to buy a little home. This means that we need the small savings the New York Life has been keeping for us these many years. . . ."

This is a \$1,000 20 Payment Life policy issued at age 35. Total premiums paid—\$766.80. Present cash value, including dividend deposits, amounts to \$1,146.21. Through all these years the beneficiary has been protected for \$1,000.

A life or endowment policy (but not term insurance) is an Insured Savings Plan with guaranteed values for retirement.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

Harpell Convicted of Libel on President Macaulay

J. J. Harpell, publisher of the Montreal "Journal of Commerce," was found guilty last week of criminal libel in the Canada courts in connection with his attack on T. B. Macaulay, president of the Sun Life of Montreal. In the October issue of his paper Mr. Harpell joined Mr. Macaulay with the late Ivar Krueger, calling them the "world's greatest crooks." Mr. Harpell has been attacking the Sun Life for a number of years, charging that money was being diverted from policyholders to stockholders. He also condemned the Sun Life for investing money in common stocks. It took the jury an hour and 40 minutes to reach its verdict. Mr. Harpell's counsel said that the case would be appealed.

Editor Harpell claimed that he had been handicapped in presenting his evidence and had not had a fair trial. The court said that it had only known one man who admitted that he had had a fair trial and that was one convicted of murder. Counsel for Mr. Harpell claimed that he had rendered a great service to the Sun Life as it had increased its holdings in high grade bonds since the attack began. President Macaulay said that he owned 2,227 shares of Sun Life although in the annual report he is shown as holding only 25 shares. He said, however, that the rest are held in a trust known as Macaulay Securities.

Harpell Is Sentenced

The court sentenced Mr. Harpell to three months in jail and he was also instructed to pay the cost of the prosecution. He was ordered to put up a \$1,000 bond to keep peace for a year. When sentence was passed, he claimed that he did not have a fair trial and filed an appeal. He was released on bail of \$6,000. Chief Justice Greenshields, who presided over the court, said that four of the five days were consumed by the defense in attempting to prove the charges against President Macaulay. The justice declared that Mr. Harpell had declared in open court that President Macaulay was a "crook." The chief justice told Mr. Harpell that he had failed absolutely to prove that Mr. Macaulay was a crook and a swindler. He said, "You had no justification, not the slightest, for the publication of these atrocious libels against a man who has occupied an honored position in Montreal for well nigh half a century." The jury recommended clemency although the justice remarked that he found the recommendation strange considering the evidence.

Makes Report on American

Michigan Insurance Department Gives the Detroit Company a Clean Bill of Health

The Michigan department examiners find the American Life of Detroit in strong financial condition, according to an examination report just filed with Commissioner Livingston by J. E. Reault, chief examiner. This report shows that the American Life in addition to its capital of \$500,000 had a surplus on Dec. 31 of \$599,000 and special depreciation reserves of \$100,000, making the total capital structure \$1,199,000. Assets, according to the report, are \$17,373,666 of which \$10,774,503 were in real estate mortgages. These were divided as follows: \$2,680,052 on farm properties and \$8,094,451 on other property. Both the real estate holdings and the proportion of policy loans to the assets were found to be very satisfactory, in view of prevailing conditions, the latter item particularly being less than in the case of several of the largest companies. The profit sharing arrangement inaugurated by President C. L. Ayres in 1928 and which has been in

Pennsylvania to Reargue Huge Dorrance Tax Suit

When it was shown in the 1931 edition of THE NATIONAL UNDERWRITER'S Life Payments Localized Number that John T. Dorrance, late president Campbell Soup Company, left \$4,690,000 in life insurance, some people asked why any one would want to own such a large amount of life insurance. A good answer to that question arises out of recent litigation between the states of Pennsylvania and New Jersey and the executors of the Dorrance estate. Both states claimed Dorrance as a resident and Pennsylvania has assessed an inheritance tax of \$17,437,655 on the \$115,000,000 Dorrance estate, while New Jersey is seeking to collect taxes of about \$12,000,000.

Permission to reargue the suit in Pennsylvania involving \$17,437,655 tax has been granted by the state supreme court. This is on appeal by the state from a lower court decision upholding the executors' claim that Dorrance was a resident of New Jersey. Initially the supreme court ruled Dorrance was a Pennsylvania resident.

Wisconsin Life Men Heard on Moratorium Proposal

A number of insurance men appeared at a hearing in Madison, Wis., before the farm mortgage moratorium committee of the Wisconsin council of agriculture. The committee was appointed to draft a bill for introduction in the 1933 legislature on adjustment of farm mortgages.

Among the insurance men on hand were: Commissioner Mortensen, C. C. Klocksin and H. A. Merrifield of the Northwestern Mutual Life; E. M. Griggs, National Board of Fire Underwriters; G. H. Cooper, J. A. Gordon and O. Myhra of the Prudential; A. R. Peterson, Wisconsin Life.

Mr. Peterson advocated a hands off policy and he expressed opposition to any legislation on the subject. "A mortgage contract is a matter between the creditor and the debtor and nobody else," Mr. Peterson declared. He said that the proposed legislation would dry up all loan sources. Fred M. Wylie, deputy attorney general, asked Mr. Peterson whether the Wisconsin Life would make him a loan on his farm now. Mr. Peterson said that the Wisconsin Life would not do so and Mr. Wylie then stated: "Then you can't destroy my credit."

Mr. Merrifield declared that he had no fear of any governmental agency to adjust farm mortgages. "I believe that any board will give us justice if we come before it with a just case," he said, "and I believe it would work out all right if properly safeguarded."

Mr. Cooper stated that the Canadian system works out as a collector for the loan companies and that the administrative board does much which the companies themselves must now do, and the cost comes out of general taxes.

Many New Agents Licensed

Licensing of new agents in Ohio continues at a rate as great, if not greater, than in previous years. Particularly for the sale of life insurance is there an unprecedented number of newcomers. The licensing division of the insurance department was never busier.

operation since that time whereby the officers, agents and employees are given a participation in the profits of the company drew an approving comment. The report characterizes it as "a very equitable and fair means for those eligible to share in the earnings of the company."

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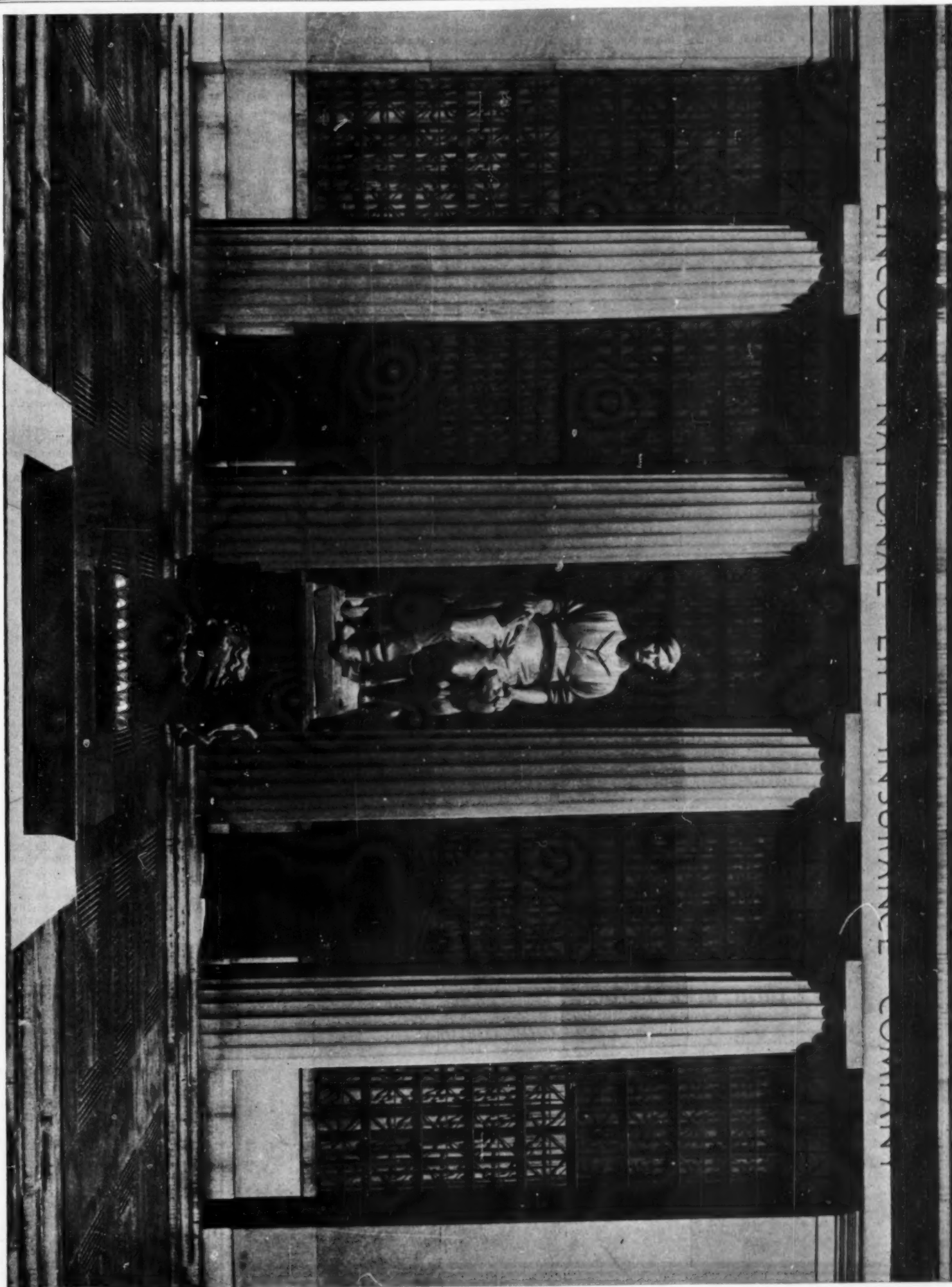
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Entrance to the Home Office Building of The Lincoln National Life Insurance Company, Fort Wayne, Indiana, with the heroic bronze statue by Paul Manship, "Abraham Lincoln—The Hoosier Youth," on the plaza.



Joint Ohio Committee in Hearing on Law Changes

A hearing was held in Columbus by the joint committee of the Ohio legislature created to observe the workings of the intangible tax law, to hold hearings and make recommendations as to changes. The committee, headed by R. A. Taft of Cincinnati, listened to insurance men in regard to suggested changes, which it is believed will be recommended, changing the law from a property tax measure to a franchise law, as no objection was voiced. The present law provides for a tax on the capital and surplus of stock companies and the surplus of mutuals. It has been found that because many companies have capital and surplus in the form of tax free securities, many escaped payment of any appreciable amount of taxes. Under a franchise tax, all would have to pay.

May Seek to Change Law

At the coming session of the general assembly an effort probably will be made to change the law on the taxing of reinsurance. This has been prompted by the fact that an Ohio company recently had to pay a very large sum in

another state because of retaliation against the Ohio law. Under the Ohio law, the company that writes the insurance must pay taxes on the entire premium, no matter how much of the business was reinsured in another company. Under the proposed change, the insuring companies would have to pay their proportionate share of the taxes on the part of the premium that each actually received.

Rally of Leading Agents of Policyholder's National

The Gold Medal Club, organization of leading producers of the Policyholder's National Life of Sioux Falls, S. D., gathered Wednesday of this week at the home office for an agency meeting at which impetus was gained for the new year's production. The company has written 50 percent more in first year premiums this year than in 1931. It has just been licensed in Minnesota, Nebraska, Missouri and Arkansas and is planning to start operations in these states immediately after the first of the year.

George J. Danforth is president of the

Policyholder's National; S. H. Witmer, vice-president and manager of agents, and H. O. Chapman, secretary-treasurer.

Illinois Opinion Permits Licensing Yeomen Mutual

Attorney-General Carlstrom of Illinois has held in an opinion to Superintendent Hanson of that state that the Yeomen Mutual Life of Des Moines may be admitted to Illinois. Mr. Hanson solicited the opinion in view of the fact that the Yeomen Mutual Life is a reorganization of the Brotherhood of American Yeomen, whose policies were valued on the American Experience table of mortality with interest at 4 percent instead of the standard prescribed by the Illinois law.

Mr. Carlstrom held that a new entity had not been created by the reorganization, but that the legal reserve company was a continuation of the prior corporation. Under the full faith and credit clause of the federal constitution, Mr. Carlstrom held that Illinois must accept the Iowa plan of the valuation on policies issued prior to the reorganization. On policies issued subsequently the Illinois standard must be met.

Legislative Clearing House Organized by Illinois Men

FORM ADVISORY COMMITTEE

All Branches of Insurance in State to Cooperate on Measures Affecting the Business

An advisory committee representing all branches of the business has been formed to review all legislation which may be introduced at Springfield affecting the insurance business in Illinois. Representative of the following organizations comprise the committee: Chicago Board, Illinois Association of Insurance Agents, Insurance Brokers Association of Illinois, Chicago Association of Life Underwriters, Illinois Association of Life Underwriters, Surety Association of Chicago, Chicago Insurance Agents Association, Health & Accident Underwriters Conference, life insurance companies of Illinois, Casualty Insurance Managers Club, National Board, Insurance Federation of Illinois, insurance committee, Illinois Chamber of Commerce.

Each of these organizations has agreed to submit to this committee in advance any bill affecting the business which they propose to have introduced at the regular 1933 session of the legislature. There may be a number of minor bills sponsored by some particular branch of the business which would warrant the support of the entire fraternity.

The plan contemplates the submission in advance of all amendments and legislation to the superintendent of insurance and it is anticipated that the superintendent will cooperate with this committee to the extent of advising the committee of any department measures which are to be offered. This advisory committee provides a legislative clearing house.

The committee will study and make recommendations concerning any insurance measures which may be introduced by any interests outside of the business.

The individual organizations represented on the committee will not necessarily be bound by any action of the committee as a whole, if in the opinion of any organization the needs of its particular branch of the business require legislation which does not find favor with the majority of the organizations.

In the past the business has been confronted with useless and wasteful legislation sponsored sometimes for selfish reasons and sometimes through ignorance of the possible effect which a particular bill might have on other branches of the business.

The committee has discussed a number of possible measures informally.

There has been considerable discussion of the movement sponsored by the insurance committee of the Illinois Chamber of Commerce to separate the insurance division from the department of trade and commerce. The committee, however, feels that in view of present conditions and the possibility that this change might involve some additional expense, the change should not be urged now.

Features Agency Contracts

The Acacia Mutual Life in its advertisements is featuring agency contracts, using as its text the statement of one of the large company presidents recently, who said, "I think we will agree that there is a growing number of company executives who are not fully satisfied with the usual agency contracts today. We do hesitate to change because of competitive conditions."

The Acacia Mutual states that in spite of competitive conditions, mere production should not be considered. Agency contracts, it observes, should be based on the best interests of policyholders as well as the permanent producing agents.

Advance Announcement of 1932 progress

More assets . . .

More cash in hand . . .

More U. S. Government bonds . . .

More policyholders . . .

More new life insurance . . .

More Life insurance in force . . .

than ever before

in our history!

CONTINENTAL

ASSURANCE COMPANY

Affiliated with the Continental Casualty Company, Chicago, Illinois

A NEW DECADE OF SERVICE AHEAD

The Missouri State Life has just entered upon a fifth decade of service to its policyholders and field representatives.

The four decades that have passed have been marked with many pioneering achievements and sound, constructive growth so that today the Company ranks as one of the outstanding leaders in the great institution of Life Insurance.

The Company offers liberal agency contracts, prompt underwriting service, helpful field cooperation with policies to meet every need—Life, Accident & Health, Group and Salary Savings.

A Good Company to Represent.



MISSOURI STATE LIFE INSURANCE COMPANY

St. Louis, Missouri



Dear Fred:

AS THE GENIAL HOST, you're a winner. I expected a nice welcome when I came to Dayton, of course, but you and Mary made me so happy and contented that I feel like a homeless waif back here in my humble "efficiency". The whole thing smacks of a conspiracy to get me in the "Ball and Chain" Club, but you might as well give up. Bachelorhood is still good enough for me.

I suppose you think we're even, though, because I wrote you that Education Policy for little Fred. What do you think of U. C. L.'s new selling method now? Didn't I tell you it was good? I could hardly keep from laughing at you Sunday; you may not know it, but before I got a chance to open fire with my stupendous personality and wit, you were selling the policy to yourself and giving me some swell pointers to use on other people. Thanks, old man.

You wanted me to get the dope on how this new plan started. I asked about it when I got back, and found out a lot more interesting stuff besides.

It seems the whole thing—advertising, radio, new selling plan, and all—was conceived about a year ago. Instead of stuffing the old teapot and digging in for a long, hard winter, the Union Central crowd kept its head up and looked things right in the eye.

Although it's one of the oldest and most conservative in the game, U. C. L. has a progressive management that can pick its hole and plunge right through like Jim used to do after you smeared the defense. When this bunch saw there was a chance to bust through, it did, and there's a clear field in front with the goal posts at the end. And, to complete the simile, the agents in the cheering section are yelling like mad.

Whew! That's quite a literary outburst for a man who hated English like I did. Pardon me while I take a rest.

YOUR EXHAUSTED EX-ROOMMATE,

Sam



THE UNION CENTRAL LIFE INSURANCE COMPANY

>> CINCINNATI <<

TYRRELL IN ANNUAL REVIEW

(CONTINUED FROM PAGE 3)

population of the United States. It also represents an amount in excess of that in force at the end of 1929—the last of the “good old days”—and it is nearly twice as large as the total insurance in force ten years ago.

In an underwriting sense, American life insurance has no ground upon which to indulge the political prerogative of “viewing with alarm,” and it certainly can “point with pride” to its splendid accomplishments.

Let us now appropriately consider another financial feature of the business as related to 1932. In that year, the life insurance companies of the United States paid out in money or its equivalent to their policyholders and beneficiaries the prodigious sum of \$3,100,000,000, or in the vicinity of \$300,000,000 more than they so expended in 1931. Of this large sum, it is shown that \$925,000,000 was paid to widows, orphans and other beneficiaries on death claims, while \$2,175,000,000 went to living policyholders in matured endowments, annuities, surrender values, dividends and other benefits. To a mind accustomed to making monetary calculations on the “two bit” basis, an appreciation of this colossal golden avalanche will be bewildering, but even he should get some approximation of its true meaning if one were graphically to stretch dollar bills in fancy around the circumference of the well-known earth, and show that the sum in question would be represented by dollar bills about ten deep all around; or if one were to stack up its equivalent in \$5 gold pieces to a height which would make about 2,300 Empire State buildings, it would make the original building look like “thirty cents,” as its genial manager might describe it, but why take the time? The average citizen, who by the intervention of a kindly fate has

managed to survive the last three years, will have a sufficient appreciation of what \$2,175,000,000 can do (and has done) in the way of paying bills, maintaining credit, aiding business, and sustaining life and hope.

May we not be permitted at this point to interpolate pertinently the thought that the compiled figures for 1932 will show, no doubt, an excess of income over disbursements in American life insurance companies to an extent which may reach half a billion dollars, and for the business man and the thinker, there is food for reflection.

Western Company's Failure Does Not Tarnish Record

The stability of American life insurance is graphically illustrated by the facts. Mutual life insurance as a business began in the United States in 1759, and it has, therefore, some 173 years of history to its credit. In all that time and through the experiences of six major wars, some eight or ten national business panics and depressions, and numerous devastating disease epidemics, it has stood stalwart and solvent, and with one single exception of insolvency in the case of a minor company, which occurred in the early years of the business, it has maintained its financial integrity and met all its fiscal obligations. Besides, during all that time, in the face of all the deterrents specified, it has placed into the channels of American business and family, a golden stream of aid and succor which many times exceeds in value all the gold of the world.

The incident of 1932 in which a western stock life insurance company was forced into receivership creates no blemish on the institution of life insurance or the integrity of its fundamentals. The present predicament of the company is

due directly to a departure from those fundamentals and to a failure to provide proper and adequate official supervision of methods of transacting business.

There is so much that should be written about a business of the magnitude and ramifications of life insurance that the reviewer is apt to forget both editorial limitation and reader indulgence. The poet or the imager would embellish a review of this sort beautifully, and the romantic story which would result, naturally, would be intensely interesting, but this particular reviewer is neither poet nor imager, and so he must proceed in a conventional way.

The year 1932 opened up inauspiciously from a business point of view. The depression persisted and pessimism abounded. As the year progressed, a rather general revision of dividend scales began to be announced, followed by an increase in the amount and duration of surrender charges, both of which in connection with some revisions in premium rates made for a slight but supportable adjustment in the cost of life insurance which the policyholder willingly accepted as evidence of sound business judgment and in a spirit of justice.

General Tightening Was Noted During Last Year

During the year also, desultory dicker-ing with “disability” was noted, especially in relation to new rates; revisions in premiums by certain participating, as well as non-participating, companies, were announced; new policies were devised to meet the changing condition of affairs; conservation efforts were increased, and there was evident a general tightening up in underwriting rules and practices.

Some features of 1932 will have to be considered specifically. There is little doubt that production was lessened by the extraordinary demand made upon the time and thought of agents by old policyholders and clients seeking advice and aid. This unprecedented call upon

them not only required the exercise of ingenuity to keep existing insurance in force, but it took from agents the best they had to rearrange programs, devise plans for paying premiums, looking after settlement endorsements and truly serving clients in a professional but unremunerative way.

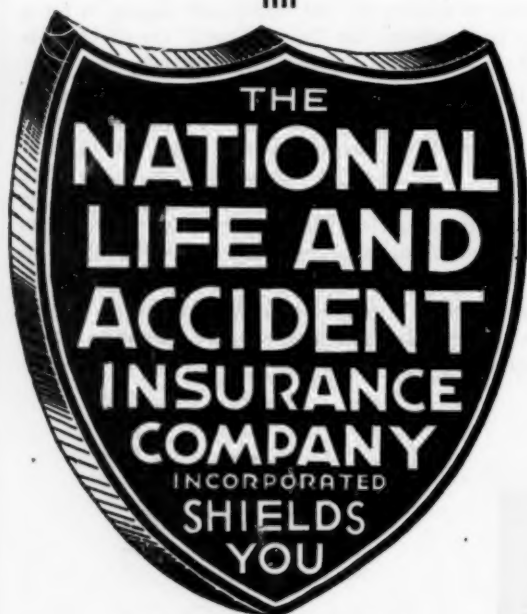
Business conditions during the year also demanded new sales and prospect methods by agents. The business man either could not buy or else he was busy adjusting his program. The salaried man was a good prospect, but he was afraid he might lose his job any minute and so was too timid to buy.

Sales in Year Were Due to Public Need for Protection

The life insurance agent of 1932 sold life insurance because he could demonstrate that he had a “product” that the public needed, and he found a public with plenty of confidence in the institution he represented. With the let-up, to an extent, in general investment sales, it is noteworthy that there has been attracted to the business of life insurance a new type of salesman who realizes the desirability and saleability of life insurance.

With the year 1932 ending in the happy disclosure that during its days there was no “retrogression in the health of policyholders” as well as of the public, and with lapses and surrenders still under control, a reviewer is justified in declaring that so far as the underwriting side of the business of life insurance is concerned, the whole institution, as such, is upon a really fine basis. The reviewer has reason also to consider the investment end of the business to be in equally good shape, unless he is prepared to admit that the whole credit structure of the United States has gone to pot or is hurriedly headed in that direction.

Take the policy loan situation, for example. Life insurance has gone through nearly three years of unusual calls for policy loans. It has responded promptly, and, as an institution, completely. It



Trade Mark Reg. U. S. Pat. Off.

What others say about claims and The National Life & Accident.

A recent report of the insurance examiners of Tennessee, Ohio, Texas and Virginia says:

"Having made a careful and thorough examination of the claims and claim files, we can state that The National Life & Accident pays claims promptly."

Best's Life Reports says:

"The company pays just claims promptly."

Claims promptly paid create satisfaction among policyholders and build business for agents. It pays to be a Shield man.

The NATIONAL LIFE and ACCIDENT INSURANCE CO., Inc.
Nashville, Tennessee

Tune in WSM

would be absurd to say that the experience has not its serious aspect and that it has not generated many earnest questions, but the resultant problems are mainly for executive and managerial solution, and they will be satisfactorily solved in time, no doubt. The concern of the public in the policy loan situation has reference to the percentage of such investments to general assets, and in this respect the institution makes a creditable showing.

On Dec. 31, 1929, 52 of the leading legal reserve companies of the United States had 13.3 percent of their assets invested in policy loans and premium notes. On Dec. 31, 1932, the same companies, despite the necessity for providing unprecedented amounts of cash on demand under contract obligations for a long period, had only 18.4 percent of their assets so invested.

As to real estate mortgages, the record shows that on Dec. 31, 1929, the companies had 42 percent of their assets so invested, whereas on Dec. 31, 1932, the percentage was 36.3. Specifically, as to farm loans, on Dec. 31, 1929, mortgage holdings amounted to 12 percent of assets, and on Dec. 31, 1932, to 8.8 percent. And yet, despite business conditions and consequent foreclosures, the real estate acquisitions of the companies during the period under observation increased but 1.8 percent in relation to assets.

Real Estate Conservatively Worth at Least the Loans

It is a little difficult, perhaps, for the public to think in terms of millions, but there are some men, even of today, who can still calculate on the basis of a thousand. To these men the illustration may be made that for every \$1,000 held by American life insurance, there is only a comparatively small amount involved in real estate acquisitions, and that if the loaning companies acquired every single piece of property mortgaged, such companies would still possess actual property worth at least twice as much as was loaned upon it, in normal times, and even in these days of low valuations worth the full amount. The public must not get the idea that real estate loans are instrumentalities of loss. Quite the contrary; they are realizable assets at current values.

During the progress of the political campaign of 1932, more or less was heard about governmental aid to insurance. What are the facts? The only governmental agency offering aid and comfort to the institution of life insurance during this grievous period of financial perplexity with which the nation is still surrounded, was the Reconstruction Finance Corporation, and the record of that "Big Brother" of business justifies one in declaring that the part played by the R. F. C. in the salvation of American life insurance was not at all prominent.

R. F. C. Loans to Companies Only Very Small Percentage

It is a fact that comparatively few companies invoked the assistance of the R. F. C., and then only to the extent of one-tenth of one percent of their assets. Furthermore, the aid of the governmental corporation was sought, not because of financial embarrassment, but in anticipation of unusual cash demands, for the prevention of security sacrifices, the securing of fair interest rates, and the ultimate protection of policyholders. The mere act of borrowing from the R. F. C. was and is an evidence of business foresight on the part of those involved, and it is further testimony of ability to borrow, which is something, after all, for R. F. C. loans, it must be remembered, were and are made only upon the basis of good and sound collateral. The R. F. C. may have been an anchor to windward, but happily it was not needed to save the ship.

Spots appeared on the face of the sun of life insurance in 1932, which may be harbingers of disconcerting experiences for the future. The great American "initiative" was invoked in attempts

to put upon the statute books of certain states legislation originating from the people. In North Dakota this vox populi movement took the form of a debt moratorium, which was defeated twice, once at a special election and again at the regular fall election. The farmers of North Dakota, in whose interest the movement ostensibly was launched, themselves organized to defeat successfully the proposal in recognition of what that sort of thing ultimately would do to their own credit.

Washington Income Tax Considered Unconstitutional

Out in the state of Washington the voice of the people responded to an income tax measure of extreme application and consequence to every citizen of that state and to every institution doing business therein. This initiative act is voluminous and extremely technical. From the very nature of things it was not understood, and the probability is that it is unconstitutional. But, it is the initiative, and, as such, it must be respected.

Where this sort of thing will end no man knows. It is one of the incidents of modern development, the full effect of which time alone will disclose.

In this connection, it is well to have in mind that the legislatures of some 43

states will convene in January, and for some time the Congress of the United States will be in session. The members of most legislatures will be new men, fired with an evident desire to be recognized as statesmen. In their estimation, the introduction of bills will appear as confirmatory evidence. It is a thought of comfort and consolation that the affairs of life insurance are so well ordered that the institution does not have to fear the introduction of bills likely to result in legislation adverse to its best interests. Life insurance has had its legislative day; it appears with clean hands and a clear conscience.

Time, space and patience probably have been exhausted by this time in this effort to review, but the trial cannot be abandoned altogether without certain personal references.

Mentions Several Official Changes Among Companies

In January, W. Howard Cox assumed the office of president of the Union Central to succeed Jesse R. Clark, Jr., resigned; Robert E. Sweeney was elected president of the State Life of Indiana to succeed Charles F. Coffin, who declined reelection; in April, William T. Nardin was elected president of the Missouri State Life, and Julius H. Barnes, chairman of the board; in August, C. C.

Thompson of Seattle, was elected president of the National Association of Life Underwriters and in October, M. J. Cleary was elected president of the Northwestern Mutual Life to succeed W. D. Van Dyke, who died June 7, 1932. Darwin P. Kingsley, one of the great characters of American life insurance, passed on Oct. 6, 1932.

What does the future hold for the institution? Nothing but a promising prospect, unless we are prepared to admit that the financial structure of the American nation is in grave danger, and this reviewer is not yet ready to make any such admission. Inasmuch as all business enterprise, particularly life insurance, depends upon sound principles—management policies—rather than upon personalities for successful administration, the institution is unusually stable in a period of unusual mutability.

Never in all the years of its marvelous experiences has the institution been better equipped to serve its ideal functions, and never before has the public been so favorably impressed with it.

"The year goes wrong, and tares grow strong,

Hope starves without a crumb;
But good bright days are on the way,
And ours are sure to come."



Great Salesmen of History



ROBERT BRUCE

IN a humble cottage a fugitive lay on a pallet, heartbroken and discouraged. Idly he watched a spider hanging from its web and trying to swing itself from one beam to another. Six times the spider tried and failed. "If it tries again and succeeds," said the fugitive to himself, "I, too, will make another attempt." On its seventh attempt the spider was successful.

This fugitive was the beloved hero of the Scots, Robert Bruce. Taking heart from the spider's success, Bruce returned to his native country, and fighting like a man inspired, won victory after victory, finally gaining Scotland's independence by crushing the English in the great battle of Bannockburn.

The flaming spirit of this hero has been immortalized by the poet Robert Burns who ascribes to Bruce these ringing words:

"Scots, wha hae wi' Wallace bled—Scot's wham Bruce has aften led—Welcome to your gory bed, Or to victorie!"



ROYAL UNION LIFE INSURANCE COMPANY

A. C. TUCKER
Chairman of the Board

DES MOINES, IOWA

J. J. SHAMBAUGH
President



Guaranteeing Funds For Future Financial Needs

Within the family there is no conflict between the protection and the accumulation idea. Both needs exist and with time family protection requirements usually decrease at much the same rate that the need for accumulation grows urgent.

Accident insurance and annuities are needed to complete a financial program that will guarantee funds to meet essential future financial needs. Agents using these supplementary lines occupy a particularly favorable position.

**Connecticut General
Life Insurance Company**
Hartford, Conn.



**T-H-E
COMBINATION
I-D-E-A-L**

Liberal policies.
—
Good territory
—
**Agency—Building
Co-Operation from
Home Office**
—
**Efficient Claims
Service**

**SUCCESSFUL
-- NATIONAL
-- AGENCIES**

Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

Hope to Work Out Voting Trust Plan

(CONTINUED FROM PAGE 5)

to have put into effect at the annual meeting of the Missouri State stockholders on Jan. 17.

Under the Missouri law governing cumulative voting powers to protect minority interests, the Kentucky Home Life has 148,050 shares of Missouri State stock and is entitled to only three or four directors. President Harrison of the Kentucky Home announced after the directors' meeting that an accord had been reached whereby he and the state auditor would name four directors and the Barnes-Cohen interests two. It is difficult to reconcile this statement as to numbers of directors with the law.

Will Vote Kentucky Home Shares

The Insurance Equities Corporation owns about 15,000 shares of Missouri State and it is understood it has optioned other stock with the privilege of voting. The 148,050 shares of Missouri State stock held by the Kentucky Home is on deposit with the Kentucky department as part of the official legal deposit of the company. While for certain purposes Auditor Talbott, because of his official position, has control of this stock, the right to vote is retained by the Kentucky Home and will be voted by the Barnes-Cohen interests and not by the state auditor.

A year ago when the annual meeting of the Missouri State was held, the Inter-Southern Life was still operating. In turn the majority of the Inter-Southern stock was owned by the Security Life of Chicago. M. J. Dorsey was the commanding figure in the Security Life, Inter-Southern and Northern States Life. He had received his chief backing from Hallgarten & Co., New York investment house, through the Hamburg-American Company, a holding concern.

Dorsey Holdings Changed Hands

When the rival factions in the Missouri State had reached a peaceful settlement and had agreed upon a new set of directors, Mr. Dorsey turned his holdings over to Hallgarten & Co. When the 1932 Missouri State Life meeting was held, four Hallgarten-Dorsey directors were elected, they being M. L. Emerich and Stephen Paul of Hallgarten & Co., M. J. Dorsey and H. T. Tressel of the Security Life. The collapse of the Inter-Southern Life and the passing of its block of Missouri State stock to the Kentucky Home Life apparently has ended the tenure of Messrs. Emerich, Paul, Dorsey and Tressel on the Missouri State board under ordinary circumstances.

On Dec. 3 the executive committee of the Missouri State, after approval by Insurance Superintendent Thompson, voted to support the \$800,000 loan to enable the Insurance Equities Corporation to buy the Greenfield holdings of the Kentucky Home Life. Mr. Emerich, a member of the committee, voted against the proposition. On Dec. 16 the board had before it a motion to approve the action of the committee and Messrs. Emerich, Hall and Tressel voted against it. Julius H. Barnes was present but did not vote. Federal Judge Dawson of Louisville and Ernest Woodward of that city, two directors, were not present. Later they protested the action and when President Nardin declined to call a special meeting to rescind it, both tendered their resignations as members of the board.

It seems to be apparent that Messrs. Emerich, Paul and Tressel have cast their lot with State Auditor Talbott, Judge Dawson and A. M. Greenfield of Philadelphia in the struggle to dominate the Missouri State. Their reelection on the board Jan. 17 depends entirely on how much voting strength their crowd will be able to muster.

There has been considerable interest here as to the activities of Judge Daw-

son in the Missouri State and Kentucky Home Life. He made several trips to St. Louis in connection with the affairs of the Missouri State and the numerous moves to put over the Talbott plan to make Judge Dawson the sole trustee and president of the Missouri State. He has attended a number of board meetings. Until Dec. 24 he was chairman of the board of the Kentucky Home Life. The inference is that the Hallgarten-Dorsey clique lined up with Greenfield and in this way expected to become dominant factors in the Missouri State, using Judge Dawson as their window dressing.

Thompson Wants Voting Trust

Insurance Superintendent Thompson is demanding a five-year trust agreement for the Missouri State and declares that he is primarily interested in this protection for policyholders. He has refused to accept Auditor Talbott's demand that Judge Dawson be made sole trustee of the voting stock and president of the Missouri State. He takes the position that no one is big enough to act as sole trustee or czar for a life company in Missouri. For that reason he has insisted on three trustees. He is willing to accept Julius Barnes, P. K. Smith, president of the Boatmen's National Bank and Judge Dawson. A short time ago the St. Louis interests were willing to cooperate with Auditor Talbott and proposed that Judge Dawson be one of the trustees. President Nardin would name a second man and the state auditor was extended the privilege of selecting a third from a list of officials of 12 of the largest banks in some of the cities.

Strife Over the 148,050 Shares

It is generally agreed that the present trouble of the Missouri State has come through the block of stock now held by the Kentucky Home. This started when Rogers Caldwell of Nashville purchased these shares and later sold them to the Inter-Southern Life. The 148,050 shares of Missouri State constitute the largest single asset of the Kentucky Home Life.

Another interesting side line on the situation is an unofficial report that Hallgarten & Co. opened negotiations with Frank Cohen of New York with a view of selling him the Hamburg-American Company. It is understood the proposal was on the basis of an exchange of stock of one of the companies in which the Cohen group is interested. It is said that preliminary moves were made in New York City sometime after Dec. 2. An attorney, who is said to represent the Hallgarten interests, met Mr. Cohen and Mr. Barnes and their St. Louis attorney in a hotel in St. Louis Dec. 16.

Support the Administration

Notwithstanding the terrific pounding the Missouri State Life has received in its internal conflicts, since the collapse of the Rogers Caldwell regime, it is regarded as in a much stronger position financially than it was a year ago. Under President Nardin the company has made progress. Theodore Fells of Cincinnati with his family owns 30,000 shares of Missouri State stock and he is giving his support to the Nardin administration. Superintendent Thompson has received the support of Insurance Commissioner Read of Oklahoma, secretary of the National Convention of Insurance Commissioners, and Commissioner Dulaney of Arkansas. All three have taken the position that the protection of the policyholders is paramount to every other consideration and they decry the internecine battle. They seek to stop this bitter struggle. They expressed the view that the voting trust agreement is the best move the Missouri State could take.

Tells Department Function

Functions and organization of the Indiana insurance department and the duties of the commissioner were outlined at the last dinner meeting of the Actuarial Club of Indianapolis by H. G. Walton, department actuary.

Surrender Charge of Great Interest

(CONTINUED FROM PAGE 3)

pression followed closely on a period of rapid expansion of life insurance, so that cash values are much smaller in proportion to total assets than they will be in future depressions.

At another meeting of the Society Wendell M. Strong, associate actuary of the Mutual Life of New York, advocated a legal maximum scale of cash values which companies would not be allowed to exceed, his contention being that policyholders are much less qualified to judge what constitutes a safe degree of liberality than they are on some of the points now covered by statute, such as incontestable clauses.

Actuary States Situation

As another actuary explained the situation, the question is not so much one of fairness or unfairness but whether the policyholder prefers to pay a net cost slightly more than would otherwise be the case in order to have the privilege of getting more on his policy in its early years in case he should have to borrow on it or surrender it for cash.

Theoretically, the man who is determined to keep his equity unimpaired to the last ditch would prefer the higher surrender charge, knowing that his dividend or rate is not affected by the early lapses. And conversely, the man who knows his own improvident habits would be likely to choose the company from which he would receive the most in the way of cash in case of need.

Needless to say, nothing like this occurs in actual practice, as the surrender charge is a factor that rarely enters into the prospect's consideration. Nevertheless, there are two distinct points of view as to what constitutes an equitable surrender charge.

Argument for High Charge

Those favoring the high surrender charge base their reasoning on an assumed high rate of persistency, at least, for the first ten years. Surrender charges are scaled with the thought of making the surrendering or lapsing policyholder pay the entire cost resulting from his being put on the books and then withdrawing.

Advocates of low early-year surrender charges hold that persistency is a practical consideration and that those who fall below a theoretical ideal should not be too heavily penalized. The slight increase in net cost is viewed as a sort of premium paid to insure the privilege of withdrawing, by cash surrender or loan, a larger amount than would be possible if the higher scale of surrender charges were used.

Battle Is Now Shifted to the Kentucky Home Life

(CONTINUED FROM PAGE 5)

of Kentucky tried to block this loan and entered a very emphatic protest. He was backed by Judge C. I. Dawson of Louisville, who is a director of the Kentucky Home and some of the other directors allied with Hallgarten & Co. and the old Security Life of Chicago.

W. B. Harrison, mayor of Louisville, who is president of the Kentucky Home Life, announced after a prolonged session that an agreement had been reached whereby he and the state auditor would name four directors of the Missouri State at its annual meeting next month and the Barnes-Cohen interests would name two.

Recommendations Defeated

Auditor Talbott declared that he failed in his effort to adopt four recommendations which he claimed were in the contract whereby the Kentucky Home took over the Inter-Southern Life business after the latter had gone into the hands of receivership. He

claimed that these recommendations were, first, that a majority of the Kentucky Home Life board of 18 members be residents of Kentucky. Next, that a voting trustee be named for the 143,050 shares of Missouri State stock held by the Kentucky company; next, that no official or director of the Kentucky Home hold office without approval of the Kentucky insurance department, and finally, that all depositories for cash and securities held by the Kentucky Home be located within the state and in the jurisdiction of the Kentucky courts.

Some Interesting Sidelights

There are some interesting sidelights on the Missouri State Life guaranteeing the \$800,000 loan to the Insurance Equities Company. Federal Judge C. I. Dawson is one of the main factors in the Kentucky Home Life and he was slated to be president of the Missouri State Life but became involved in a controversy and decided to remain on the federal bench. State Auditor Talbott of Kentucky is credited with being favorable to the Kentucky Home Life local people, and especially Judge Dawson. It is claimed that a plan had been evolved to make Judge Dawson the sole trustee of Missouri State stock. Insurance Commissioner Thompson of Missouri said that this would be a dan-

gerous move and forced the issue. The Greenfield people were making progress in their endeavor to solidify themselves and hence the Julius H. Barnes and Frank Cohen group were suddenly called on to purchase the Greenfield interests or be overwhelmed and the \$800,000 loan was for this purpose.

Greenfield Plans Frustrated

This, therefore, gives the group the control of the Kentucky Home Life and frustrates the hopes of Messrs. Greenfield, Dawson and Talbott to remain in the saddle.

Another angle is the interest of the Hamburg-American Company which owned the Security Life before it sold it to M. J. Dorsey. The Hamburg-American Company did not get its money out of the Security Life before the latter collapsed. The investment firm of Hallgarten & Co. of New York engineered the deal whereby the Security Life was sold to the Dorsey crowd. The Security Life controlled the Inter-Southern Life and thus had a close hold on the Missouri State Life shares. Through the Inter-Southern Life and Security Life connection, Stephen Paul, Melvin Emerich, Harry T. Tressell and M. J. Dorsey got on the board of the Missouri State and they are still members. The claim is made that the Hall-

garten people linked up with the Greenfield folks in opposing the \$800,000 loan.

To Recommend Separate Bureau

LINCOLN, NEB., Dec. 29.—Nebraska insurance interests have received unofficial assurance that in his forthcoming message to the legislature Governor Bryan will recommend the complete separation of the banking and insurance departments and the creation of each into an independent bureau responsible only to the governor. It is regarded as certain that a rearrangement of code departments, of which insurance is now one, will be made by the legislature. The state auditor-elect, W. B. Price, has announced he will ask for the insurance bureau. A separate bureau has been an ideal towards which insurance men of Nebraska have been working for years.

O'Malley Has Good Prospects

KANSAS CITY, MO., Dec. 29.—R. Emmet O'Malley, general agent of the Midland Life, is said to be slated for appointment as the new superintendent of insurance of Missouri. The appointment is said to be virtually settled. Ed S. Villmoare, Jr., son of the vice-president of the Kansas City Life, is said to be still a strong contender for the post.

The Acid Test of Times Like These Is Really a Worthy Method of Rating

There have been discussions about the rating of Companies for years. Behold times like these and you see a rating method none can deprecate.

Here Is The Way This Company Comes Through 1932:

- Business in force**—About \$47,000,000, showing a \$3,000,000 or more gain.
- Investments** —None in default as to principal or interest.
- Mortality** —Under 25% of the expected.
- Assets** —Show a 50% gain over 1931.
- Surplus** —Shows a 75% increase over 1931.
- New Business** —As we go to press it is apparent that we will have nearly Ten Million of new paid business for the year 1932.
- Dividends** —At age 35 Ordinary Life the dividend on a policy issued in 1929 at the end of the second year was \$2.60 on a \$20.63 gross premium; at the end of the third year \$2.80, and at the end of the fourth year \$3.00.

We are proud of our persistency, our mortality, our excellent investment record, our margin of safety, our excellent gains, and our methods of selling.

Country Life Insurance Company

L. A. Williams, General Manager

608 So. Dearborn Street

Chicago, Illinois

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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C. M. CARTWRIGHT, Managing Editor
LEVERING CARTWRIGHT, Asst. Managing Editor
FRANK A. POST, Associate Editor
CHARLES D. SPENCER, Associate Editor
DALE R. SCHILLING, Associate Editor

PUBLICATION OFFICE, 41946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St., Tel. Parkway 2140. RALPH E. RICHMAN, Manager
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE
693-123 William St., Tel. Beekman 3-3958

EDITORIAL DEPT.
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FRANK W. BLAND, Resident Manager
MISS A. V. BOWYER, Pacific Coast Editor

DALLAS OFFICE
911 Southwestern Life Bldg., Tel. 2-6065
R. J. McGEHEAN, Resident Manager

PHILADELPHIA OFFICE
628-123 S. Broad St., Tel. Pennypacker 3706
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1015 Transportation Bldg., Tel. Randolph 3994
A. J. EDWARDS, Resident Manager
SOUTHEASTERN OFFICE—ATLANTA, GA.
204 Atlanta National Bank Building
SETH WHITE, Resident Manager

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Should Not Get Wrong Attitude

THE public at large is likely to get a wrong slant on life insurance and be unduly solicitous especially in the central west where so many stories have been printed about the ILLINOIS LIFE collapse and a few other life insurance transactions reflecting somewhat on the companies. No revelation has been made regarding a company that had not been forecast by those in close touch with insurance affairs. In fact, two or three years ago it became apparent that certain companies were just above a volcano which might begin eruption at any time.

The point to be kept in mind is that these cases are very exceptional. By and large life insurance companies are administered in a very conscientious and able way. The weaknesses that have come to light present an attitude of mind of a management toward a company that is out of keeping with the principles and fundamentals of life insurance. Unfortunately there are exploiters in insurance whose sole object is to pillage and graft. We have had a few cases where these brigands have scuttled a ship. Exploiters seek to get hold of good securities and substitute those of dubious value. Others use life insurance funds to promote other interests in which the management may be concerned.

The daily papers have had much to say about the supposed weakness of Illinois insurance laws and yet after all the statutes of Illinois compare very favorably with those of most other states. It is very difficult to drive pirates out of the business

by statute. The strong arm of the state must be used through its administrative forces. It must be the arm of the policeman. There are plenty of laws to protect policyholders if they are vigorously and intelligently administered. The ILLINOIS LIFE probably was within the law in its hotel securities. The proper time, however, to have called a halt was when the state insurance department was cognizant of the fact that these investments were made. A good big stick would have done the work. An insurance department is supine and helpless when it is subject to political influence.

At the hearing before the special committee of the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS in New York which had to do with investigating holding companies and interlocking devices, the danger of this system was pointed out. Yet Attorney ANDREW GATES of Hartford said that this system had been in vogue in Connecticut upwards of 40 years and there had never been a failure. It all goes to show that a state can effectively regulate insurance practices if it so desires. It is up to the supervising authorities to keep the insurance atmosphere clean. They have plenty of laws to back them up.

Because the ILLINOIS LIFE was mismanaged and exploited does not mean that every Illinois company is so unfortunate. There are plenty of honestly and ably managed companies in the state whose officials have a high conception of their duty and have a proper attitude towards the trust imposed in them.

Overcome by Fear

NEVER before has the world been overcome by fear as it is today. Our courage has almost vanished. We are afraid to take chances. Therefore we slink back into our caves and do not come out into

the sunlight. We are afraid of our own shadow and that of everyone else. Overcome by fear, we lose our good sense and calm judgment. The situation should be faced, not rashly but with intelligence.

PERSONAL SIDE OF BUSINESS

Mrs. W. J. Williams, widow of the founder and former president of the Western & Southern Life, has purchased one of the most complete private collections of ancient Egyptian and Holy Land relics in this country. It includes not only ancient authentic costumes and faithful copies duplicating museum pieces, but old jewels of the time of the Pharaohs and the Caesars, real ancient head dresses of Hebrews, Egyptians, Syrians and other peoples of antiquity, scarabs, veils and even replicas of flora of another age.

"Teaching the young idea to shoot" has more than a figurative meaning in the family of Dr. E. G. Simmons, vice-president and general manager of the Pan-American Life. As a result, eight-year-old Fisher E. Simmons, Jr., grandson of Dr. Simmons, walked away with the laurels on a recent duck hunting trip staged by E. A. McIlhenny, tobacco sauce king and nationally known sportsman, young Fisher's other male grandparent, at his private game preserve on Avery Island, Louisiana.

Fisher, Jr., anxious to match his grandfather McIlhenny's achievement of shooting his first duck before his eighth birthday, had done a little practicing during the summer and when the recent hunt got under way, he astonished his companions by bringing in seven ducks with an equal number of shots—all with just five days to spare as he passed his eighth birthday Dec. 14. The first kill, a fine drake mallard, is being mounted by a taxidermist as a souvenir.

W. F. Bentley, Metropolitan Life manager in Jersey City, was host to the members of his office and agency staffs in recognition of his 25th anniversary of service with the company. He has been in Jersey City for four years, and was with the company at Binghamton, N. Y. for a number of years.

Guy MacLaughlin of Houston, Tex., who for 20 some years has been manager of the south Texas agency of the Franklin Life, has retired from that position, he and the company reaching an agreement as to the termination. Mr. MacLaughlin is now one of the most active candidates for state insurance commissioner to succeed W. A. Tarver.

O. P. Schnabel, manager for the Jefferson Standard Life in southwest Texas, has been elected president of the Presidents' Council of San Antonio, an organization composed of presidents and past presidents of civic, business and professional clubs.

Commissioner Jackson Cochrane of Colorado was in Chicago last week en route home after attending the mid-year meeting of the National Convention of Insurance Commissioners in New York. Mr. Cochrane journeyed down to Washington, D. C., and then to North Carolina and visited other points in connection with the affairs of his department. He took up some Colorado matters in Chicago.

THE NATIONAL UNDERWRITER referred a few weeks ago to the fact that President Linton of the Provident Mutual Life was very much taken with a dictating machine. He keeps it nearby and at odd moments starts to work. The Ediphone is used not only by Mr. Linton but by many others in the head office of the Provident Mutual.

C. A. Gough, deputy insurance commissioner of New Jersey, was presented a gold wrist watch, the gift of his associates in both the Trenton and Newark offices of the department, at a dinner last week. The presentation was made by Commissioner W. H. Kelly, in recog-

nition of his 40th anniversary of service with the department. Mr. Gough gave a number of interesting facts regarding the growth of the department since he has been affiliated with it.

Rex Bixby of Denver, general manager of the Gibraltar Life & Accident and State Reserve Mutual, was bereaved by the death of his father, N. W. Bixby, 70-year-old merchant of Hardy, Neb., who was at the home of his son during his last illness.

At the annual Christmas party of the Peoria Life at Peoria, Ill., State's Attorney E. V. Champion was the guest of honor and chief speaker. A play was given, Vice-president Walter E. May having rewritten it for the occasion. Those taking part were all home office people. It was based on Tolstoi's "Martin Avdeitch."

Bradlee Van Brunt, special representative of the Mutual Life of New York under Gifford T. Vermillion, Milwaukee, manager and a veteran volunteer worker in the Milwaukee county community fund, has been named chairman of the 1933 campaign.

William Murdoch, president of the American Medical Insurance Company of Oklahoma City, and formerly secretary of the Oklahoma Insurance Board, is a candidate for appointment as insurance superintendent of the District of Columbia. His congressional delegation is backing his candidacy.

Miss Virginia Wilber and H. G. Torrance, eldest son of J. H. Torrance, vice-president of the Business Men's Assurance in charge of claims, were married Dec. 26. The bridegroom is a nephew of W. T. Grant, president of the Business Men's.

Homer Guck, publisher of the Chicago "Herald & Examiner," who is well known to life insurance men, is recovering from an operation for an intestinal disorder at St. Luke's hospital in Chicago. Mr. Guck was formerly assistant to the president of the Detroit Life.

R. M. Webb, for more than 25 years actuary for the Kansas City Life, died Dec. 26 at Research hospital after a prolonged illness. He was born in Plymouth, Eng., Feb. 19, 1875, and was educated in the schools there and at Kings College, Oxford, where he was graduated with honors in mathematics. In early manhood he went to London, Ontario, to work for a life company. In 1905 Mr. Webb joined a firm of public accountants in Minneapolis. Two years later he went to the Kansas City Life as actuary. Burial was in San Diego, Cal.

A. M. Moore, president of the Mid-State Life, Marshall, Mo., suffered a stroke of paralysis last week. His condition is reported not serious.

New Handbook for the Dakotas Now Published

The Underwriters' Handbook of North and South Dakota, published by THE NATIONAL UNDERWRITER, is off the press. This is a book that gives complete information insurance-wise concerning the two states. It has 362 pages which indicates the scope of insurance in these states. Aside from the directory proper giving the names of agents and their companies in all points, there are many excellent reference features such as a digest of the insurance laws, company affiliations of casualty and fire companies, list of general agents, managers and field men and other insurance data.

Compensation !

WHY is the institution of life insurance successfully riding the waves of national financial distress? The answer is not good luck, vast profits, or tricky manipulations. . . . It is so obvious, axiomatic, and simple, that the average mind, through its tendency to search for obscure causes, overlooks it.

Life insurance survives because its corner-stone is scientific conservatism. Quick profits, speculation, guess-work, grasping at the merely expedient have no place in its methods. Life insurance knows that, at the bottom of the wine of prosperity, are the dregs of depression. . . . In times of plenty, it entrenches itself against attacks of panic. . . . It survives the worst because it cherishes the best.

Life insurance, neither pessimist nor optimist, is cold, calculating science, recognizing human frailty and nullifying its evils.

AMERICAN CENTRAL LIFE
INSURANCE COMPANY
INDIANAPOLIS, IND.

60th ANNIVERSARY 1872 »« 1932

Founded 60 years ago this month. Still furnishing dependable insurance protection with select policies that meet the requirements of the most discriminating buyers.

If a permanent connection in Ohio or New York interests you, write today.

JOHN M. HULL
President

FRANK F. EHLEN
Director of Agencies

BUFFALO MUTUAL
LIFE INSURANCE COMPANY

452 Delaware Avenue

Founded 1872

Buffalo, N. Y.

The New Year

We lock the door on 1932, but should not bang it shut. The troubles that he gave he did not cause, and he was generous in his gifts of life, and health, and home, and friends, and augmented opportunities of life insurance service.

In the New Year, day by day, our work will lie before us. As conditions improve, vast numbers of policyholders who have been obliged to let go their contracts will turn to us again. Also, and whatever the general situation, there will be new clients to serve, who have health and capacity to pay premiums. Our duty will be constant and demanding.

Courage, loyalty, and enthusiasm for the value of what we do for the public,—coupled with faith in the indomitable, great heart of the nation and the wisdom of its leaders,—all of us should bring to 1933. If we do, we shall compel it to be "A Happy New Year!"

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

The Road Ahead

The success ahead of a life insurance salesman depends upon five definite things—

1. Himself
2. His field
3. His policy contracts
4. His contract
5. His company

All of these are equally important. If all are good, success can be predetermined.

To the man who possesses the right qualifications, we will supply the other requisites of the right field, the right policies, the right contract, with the right Company.



Home Office

For information address:
A. R. Perkins, Agency Manager

JEFFERSON STANDARD
LIFE INSURANCE COMPANY

JULIAN PRICE, President

Greensboro, North Carolina

MEN WANTED

General Agents—Other Agents

A conservative expansion program starting in January, 1933, by an old, sound, non-participating middle western life insurance company will create openings for 5 general agents and other agents in the middle west. Here is a real opportunity for men who can qualify.

Our contracts are liberal, our policies modern. Agents will receive careful Home Office supervision and training.

Write in confidence and give full details in first letter.

Address **W-96**, The National Underwriter, Chicago.

THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

The Mutual Life Insurance Company of New York

34 Nassau Street

DAVID F. HOUSTON
President

New York, N. Y.

GEORGE K. SARGENT
Vice-President and
Manager of Agencies

NEWS OF THE COMPANIES

Ten R. F. C. Loans to Insurers

Seven Life Companies Accommodated in November—Two Casualty and One Fire

WASHINGTON, Dec. 29.—Ten loans aggregating \$2,151,000 were made to insurance companies by the Reconstruction Finance Corporation in November, the monthly report filed by the corporation with the speaker of the House of Representatives shows. Eleven applications for loans were received from insurance companies last month, it was stated.

Loans made by the corporation to insurance companies, all at an interest rate of 5½ percent, included \$15,000 to the Peoples Industrial, Jacksonville, Fla., none of which had been taken up to Nov. 30; \$310,000 to the National Life, U. S. A., none of which had been taken up to Nov. 30; \$15,000 to the Franklin Mutual Fire of Ottawa, Kan., none of which had been taken up to Nov. 30, and \$130,000 to the American National Assurance of St. Louis, none of which had been taken up to the end of November.

Other loans included \$1,000,000 to the National Surety, \$250,000 to the Federal Union Life of Cincinnati, \$225,000 to the Detroit Fidelity & Surety, \$110,000 to the American Union Life of St. Joseph, Mo., \$85,000 to the Liberty Life of Topeka, and \$11,000 to the North Carolina Mutual Life of Durham, N. C.

The report also shows that \$3,600 of a loan authorized to the Standard Life of Pittsburgh was withdrawn or canceled in November.

New Benefit Society

RICHMOND, VA., Dec. 29.—The National Benefit Association of Alexandria, Va., has been incorporated to organize mutual benefit associations and to act as a cooperative agent for them in the acquisition of group insurance. It is understood that the concern plans first to center its activities on the organization of volunteer fire departments into mutual associations for that purpose. It will have its principal office in the Southern building, Washington, D. C. R. A. Eldridge is president, T. A. Cass, secretary-treasurer.

Pacific Mutual Elects

The Pacific Mutual Life has elected A. M. Chaffey, chairman of the board California Bank, of Los Angeles, a director. S. F. McClung, secretary, has resigned as a director until there is a vacancy. W. C. Green, who has been in charge of investments under L. A. Phillips, executive vice-president, was advanced from junior vice-president to vice-president.

Continental Assurance Year

President Behrens Tells Policyholders That the Company Is in a Most Satisfactory Condition

President H. A. Behrens of the Continental Assurance of Chicago sends out a letter to policyholders saying that the company has written more new life insurance and has insured more new policyholders in 1932 than any previous year. It closes the year with more insurance in force than ever before. It has paid to beneficiaries and policyholders more money than in any previous year without disturbing its usual high standard of service. President Behrens says the company has not borrowed money from any source. Its current income has been more than enough to meet all its obligations and to increase its assets by a substantial amount. It has added to its holdings of the United States government obligations something over \$700,000 and it has cash amounting to over \$200,000. It has one lot of bonds on which interest has not been paid when due. This is a small block of Cook county, Ill., forest preserve district bonds. The Continental Assurance is one of the best managed companies in the country and what President Behrens says about it can be relied on as the truth.

"Becker Month" Results

In November, which was known as "Becker month" in honor of President Charles E. Becker, the Great American Life of San Antonio set its goal at \$1,000,000. The written and accepted business totaled \$891,929. The company now has in force \$12,000,000, and the agency force is now producing business at approximately \$1,000,000 per month.

Date for Filing Claims

The federal court at Chicago has entered an order setting April 1 as the final date for filing claims with the receiver for the Old Colony Life of Chicago at 166 West Jackson boulevard in that city.

Reinsurance of the business of the Old Colony Life into the Life & Casualty of Chicago has been executed, the stockholders of the reinsuring company having approved the deal and the department of trade and commerce having given its approval.

Alvin S. Keys and J. A. O. Preus, receivers for the Old Colony, left Sunday night for Florida, where they are ancillary receivers in the United States court for the Old Colony. Much of the assets of the Old Colony Life consists of Florida real estate and mortgages on Florida real estate and Keys

POLICYHOLDER'S NATIONAL

* * LIFE INSURANCE COMPANY * *

SIOUX FALLS, SOUTH DAKOTA

OPENING NEW STATES FOR CAPABLE MEN WITH STATE OR DISTRICT AGENCY EXPERIENCE. EXCELLENT OPPORTUNITY FOR ADVANCEMENT. LIBERAL AGENCY CONTRACT, SPECIAL POLICIES.

For Full Particulars

WRITE S. H. WITMER, AGENCY VICE PRESIDENT.

and Preus are looking into various features of these holdings. It may be, that as a result of their visit to Florida, a new ancillary receiver will be appointed, who is located in Florida. As the picture of the Old Colony becomes clearer, it develops that its assets are of extremely dubious value.

No Receiver for A. I. U. Fraternal

County Judge Leach of Columbus, O., has refused to name a receiver for the American Insurance Union, a fraternal. The court sustained a motion to dismiss the application of Mrs. Margaret Cassidy of Pittsburgh, who claimed that the fraternal owed her \$1,000. She charged that the A. I. U. was behind \$1,500,000 in payment of death claims. Counsel for the A. I. U. moved dismissal on the ground that only the attorney general under the Ohio law could act for the appointment of a receiver of an insurance company.

The American Insurance Union, the new legal reserve company, is not involved in the transaction. The A. I. U., Inc., is made trustee to conduct the business of the old fraternal under a

contract. The legal reserve company has about \$28,000,000 insurance in force. It offers to receive all members of the A. I. U., fraternal, at their attained age rate of premium without medical examination. The A. I. U., Inc., has on deposit \$200,000 of U. S. bonds and high grade municipal securities with the Ohio department. Judge C. S. Younger, former insurance superintendent of Ohio, is president of the A. I. U., Inc.

Imperial Life Licensed

The Imperial Life of Tulsa, Okla., has been licensed by the Oklahoma department. S. R. Spansbury is president; Albert Carlson, secretary-treasurer, and Dr. Fred S. Clinton, vice-president. All are Tulsa men. The company is capitalized at \$10,000 with admitted assets of \$18,300 and surplus of \$7,460. It operates on the stipulated premium plan.

Bridgman Vice-president

H. L. Bridgman, who has been assistant agency director of the Great American Life, San Antonio, Tex., has been elected vice-president.

LIFE AGENCY CHANGES

Edwards to Succeed Whatley

Head of Aetna Life's 42nd Street New York Office Will Assume Chicago Post March 1

R. S. Edwards, head of the Aetna Life's 42nd street agency in New York City, has been named to take charge of the S. T. Whatley agency for that company in Chicago. Mr. Edwards will assume his new position March 1, when Mr. Whatley will become vice-president at the home office of the Aetna Life.

The Edwards agency in New York will on March 1 become a branch of the R. H. Keffer agency at 100 William street. At the same time, Vice-President K. A. Luther of the Aetna Life will become a partner in the Keffer agency. The Edwards branch will be under the managership of E. A. Muller, who is the present Aetna Life general agent at 225 Broadway, New York City. The 225 Broadway agency will be discontinued.

Mr. Edwards, in Chicago, will have charge of one of the largest agencies of the Aetna Life. Under Mr. Whatley, the Chicago agency transacts an annual business of about \$14,000,000 in addition to a large group and accident business.

Eight Agents on List

Mr. Edwards was put in charge of the Vanderbilt avenue New York City agency of the Aetna Life in 1930, being transferred from Detroit. In March of this year the Vanderbilt avenue and the 42nd street agencies were combined, Mr. Edwards being placed in charge of both. At the beginning of this year, Mr. Edwards' agency had eight men on the company's list of leaders. In 1931, Mr. Edwards was awarded the president's trophy for showing the greatest general improvement in his agency during the year of all Aetna Life agents in the eastern region.

Mr. Edwards joined the Aetna Life in 1915 as a group representative. After the war he again became a group representative for the Aetna, covering the New England territory. Soon after he joined the K. A. Luther agency in Boston and in 1921 went to the home office as assistant secretary in the group division. In 1924, he was promoted to secretary. The next year he was made general agent in partnership with E. W. Baker at Detroit and in 1930 was transferred to New York. He is a graduate of Dartmouth college.

Mr. Muller joined the Aetna Life in 1923 as an agent in New York City. He developed into a million dollar producer and in 1926 was placed in charge

of the brokerage department of the Aetna Life's 100 William street agency. He was made assistant general agent to Mr. Keffer in 1927, when Mr. Keffer opened the 225 Broadway agency. Mr. Muller was made general agent at 225 Broadway when Mr. Keffer left in 1927 to take over the agency at 100 William street.

H. M. Holmes, R. P. Tinkham

Hugh M. Holmes has been appointed general agent in Milwaukee for the Lincoln National Life covering about two-thirds of Wisconsin. He has been city superintendent of agents for the Gifford T. Vermillion agency of the Mutual Life of New York. The Lincoln National Milwaukee office has been in charge of E. I. Burbey as district manager under supervision of the northwest agency in Minneapolis.

R. P. Tinkham, who has been with the S. J. Herzberg agency of the Prudential ordinary department in Milwaukee as special agent, will succeed Mr. Holmes with the Mutual Life.

G. E. King, J. Macloghlin

The Great Republic Life has appointed G. E. King and John Macloghlin general agents at Los Angeles under the name of King & Macloghlin agency, with offices in the Great Republic Life building. Messrs. King and Macloghlin were formerly with the Great Republic Life's Haas & Ellis agency and prior to that they were associated with the southern California agency at Los Angeles of the Provident Mutual Life.

Joseph Friedmann

Joseph Friedmann has been appointed general agent of the United Mutual Life of Indianapolis for southeastern Minnesota, with offices at 110 North Second street, Rochester, Minn. C. W. Shephard has been appointed district manager in association with Mr. Friedmann.

Horace E. Fritschle

J. E. Morrison, Michigan manager for the Franklin Life, has associated with him H. E. Fritschle as city manager of Detroit. This arrangement will give Mr. Morrison more time for his increased responsibilities and enable him to give field men more active assistance.

P. F. Chappell

P. F. Chappell, a state employee in Arkansas 15 years and prior to that district agent at Prescott, Ark., for the Mutual Life of New York, has been appointed general agent of the United

THE MAN OF THE HOUR

At no time in the history of the life insurance business have so many people been made aware of the need for and the benefits to be derived from life insurance as at present.

In the minds of millions has been burned the fact that life insurance is an absolute necessity. Economic conditions have dammed up the desires of millions of people, people in every hamlet, village, town and city in America. Bettered economic conditions will open the floodgates and the demand for life insurance will be greater than ever before.

The life insurance salesman will be THE MAN OF THE HOUR.

General Agency openings in Iowa, Illinois, Missouri, Ohio and Pennsylvania.

BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

Home Office

Lincoln, Nebraska

Geared Selling

Fidelity gears its direct mail lead service to an exceedingly profitable "Income for Life" appeal. The premium value for each dollar invested by its agents last year in this service was \$54.60. Applications written on leads from the service are 36% higher than the company average of all paid policies.

Send for booklet
"The Company Back of the Contract"

Users Profit Accordingly

"Income for Life," Low Rate Life, Family Income, Disability, Accidental Death Benefits and a full line of annuity forms are included in the Fidelity kit—backed by more than half a century of fair dealing.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri.

INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance

Ten East Pearson Street : : : Chicago

Preferred Policies at Preferred Rates for Preferred Risks

have been featured by this company since its organization in 1907.

Agency openings are available in Illinois, Indiana, Michigan and Missouri.

BANKERS MUTUAL LIFE COMPANY

FREEPORT, ILLINOIS

*Over \$1,800,000.00 paid
in claims since organization*

*Insurance in force
over \$34,000,000.00*

Mutual Life with offices at 308½ West Third street, Little Rock.

A. F. Brogger, F. M. Bullock

The Mutual Benefit Life has appointed A. F. Brogger as field supervisor at Saginaw, Mich. F. M. Bullock, district agent, will also act as field supervisor. Mr. Brogger formerly represented the Illinois Life.

L. L. Holmes

Lester L. Holmes of Des Moines has been appointed general agent in Sioux City, Ia., for the Massachusetts Mutual Life.

Life Agency Notes

W. A. Fink has been named as agency manager at Lincoln, Neb., for the Lafayette Life.

The Commonwealth Life of Louisville has appointed T. N. Newsome, Jr., general agent at Ashland, Ky., and E. S. Piersall as special agent.

Lloyd Grove and Paul J. Brown, San Angelo, Tex., have been appointed general agents of the Great American Life of San Antonio.

L. J. Stephenson, for nine years associate manager of the White & Odell agency of the Northwestern National Life at Minneapolis, who has been connected with the organization for more than 15 years, has resigned on account of ill health.

Southern States Local News

Hurley Reverses His Ruling

Now Holds Insurance Companies Operating on Military Reservations Under State Supervision

OKLAHOMA CITY, Dec. 29.—A ruling by P. J. Hurley, Secretary of War, received by Commissioner Jess G. Read, indicates that insurance companies doing business on military reservations come under the jurisdiction of the state insurance commissioner, and must comply with the regulations of the insurance department.

Secretary Hurley reverses his former ruling involving activities of the Great American Life of Texas at Fort Sill, Okla. He first held that the Oklahoma department had no right to regulate the dealings of the Great American on the reservation, on the ground that it was government property and outside of state jurisdiction.

The new ruling was made after it was pointed out that under the secretary's early opinion, not only insurance companies but all kinds of business could operate in defiance of state laws on any government property from the largest reservation to the smallest postoffice.

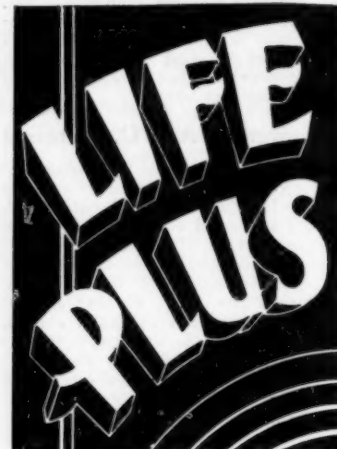
Bintliff C. L. U. Instructor

D. C. Bintliff, Dallas manager of the Missouri State Life, has been appointed instructor in principles of salesmanship in the Southern Methodist University's special course for C. L. U. candidates.

Safeguards Policy Proceeds

Official returns as canvassed by the North Carolina state board of elections show that the amendment to the constitution safeguarding proceeds of life insurance policies was adopted by a majority of 55,000. Three other amendments submitted at the same time were defeated by about the same margin.

The constitution heretofore has provided that the proceeds of a life policy, where the widow or children are made beneficiaries, can be attached by creditors of the assured after his death. The



The New and Original Answer
to the Demand for Life Insurance
with Disability Income
Benefits

Let Us Tell You About It



THE PROVIDENT
Life and Accident Insurance
Company

CHATTANOOGA, TENNESSEE

Established 1887

SALES INFLUENCE PREDOMINATES

Executives of the Builders Life are men who have been grounded in all the fundamentals of selling. Naturally, sound sales tactics which build business and careful supervision and instructions in applying those factors are available to our agency force. The Builders Life offers much to those men who want to get ahead but who still desire to retain their own individuality.

BUILDERS LIFE INSURANCE COMPANY

Karl J. Crist, Vice-President

228 N. La Salle St.
CHICAGO ILLINOIS

new amendment changes this and provides that the cash value of such policies shall not be subject to the claims of creditors even during the assured's lifetime.

San Antonio "Insurance Night"

The junior chamber of commerce of San Antonio recently staged an "insurance night." Matthew Brown, Missouri State Life manager and past president of the Texas Life Underwriters Association, spoke on "What Makes Life Insurance Safe," and W. H. Childers, Great Southern Life, president Southwest Texas association, spoke on "Why a Man Should Buy Life Insurance."

A burlesque presentation of the

"canned" sales talk was directed by Matthew Brown. J. N. Fletcher, general agent United Fidelity Life, presided.

Ashby With Trinity Life

Johnson Ashby, who entered insurance work in Illinois 12 years ago and has spent five years in Texas, the last two as branch manager at Dallas for the National Standard Life, has been appointed agency supervisor of the Trinity Life of Fort Worth.

Thurman Barrett has been appointed San Antonio branch manager of the Trinity Life, and will develop agencies in 43 counties of southwest Texas.

PACIFIC COAST AND MOUNTAIN

McGinnis to Great Northwest

Well Known Life Insurance Executive Becomes Superintendent of Agents of Spokane Company

F. F. McGinnis has resigned from the Union States Life of Portland, Ore., to become superintendent of agents of the Great Northwest Life of Spokane, Wash., with headquarters in the Spokane Eastern building. The company is completing its fourth year and has approximately \$5,000,000 of insurance in force. Up to the present it has confined its operations to Washington but the plans for 1933 involve an expansion program and it is quite likely that adjoining states may be entered. The Great Northwest Life was started as the National Union Life, organized in 1928 by G. I. Toevs, who was formerly with the old Western Union Life of Spokane, which was sold to the Sun Life of Canada. Mr. Toevs died in September. S. P. Weaver, an attorney in Spokane, is president, who has a C.

L. U. degree. T. M. Ahlquist is vice-president; F. E. Dunton, secretary and O. R. Wagner, treasurer. Mr. McGinnis organized the Agricultural Life of Michigan and is well known throughout the central west where he was engaged in life insurance for many years. He has been on the west coast for about four years and was active in the organization work of the Union States Life.

Seattle Club Women Guests

SEATTLE, Dec. 29.—The financial protection of insurance to the home was brought to the attention of prominent club women and others here at a luncheon arranged by the League of Insurance Women, composed of women life underwriters of the city.

Mrs. H. V. Wilson, president Seattle Council of Parent-Teacher Associations, was the principal speaker. Mrs. Louis Marks, insurance chairman of the Washington Federation of Women's Clubs, also spoke. Most of the prominent women's organizations in the city were represented.

ACCIDENT AND HEALTH FIELD

Accident Man Can Sell Life

L. B. Scheuer Tells Detroit Managers Club Why He Thinks Two Lines Work Well Together

DETROIT, Dec. 29.—Turning the tables on the members of the Accident & Health Managers Club of Detroit, Lee B. Scheuer, general agent Pacific Mutual, told at the December meeting why he believes accident and health salesmen should also sell life insurance. The club recently invited life underwriters to a meeting at which several prominent accident and health managers told why life underwriters should handle accident and health as a side line.

Coverages Closely Connected

"Accident and sickness coverage is a natural corollary to life insurance because both types of insurance are designed to provide for the continuance of income following earning incapacity," said Mr. Scheuer. "In talking to prospects about the continuation of income in the event of disability, a background is provided for bringing up the matter of continuation of income to the family in the event of death."

"If accident and health men would raise their sights and go gunning for life insurance business instead of an additional income from occasional fire or casualty policies, their earnings would be greatly increased. My experience with non-cancellable accident and health coverage proves conclusively to me that the average man is definitely interested in protecting his earning ability by accident and health coverage at least to the extent of \$25 a week. My experience

further indicates that comparatively few owners of life insurance have been so much as approached by accident and health salesmen. Accident and health men can provide a real service for their clients by making sure that they have sufficient life coverage to protect them adequately. There is no reason why accident and health underwriters cannot increase their income considerably by broadening their vision in this manner."

Clause Liberally Construed

The Kentucky court of appeals in *Inter-Southern vs. Foster* has construed liberally the wrecking and disablement clause of the accident policy. The court held that an injury is compensable under that clause when an extension from a passing truck struck and tore off the arm of the insured which was protruding through an open window of the car which also suffered minor damage.

"The insured had the right to believe," the court stated, "that if he sustained injury while driving or riding in his automobile when there was a collision between it and another car or object, or it was otherwise involved and both he and his machine were damaged, he was indemnified by his insurance policy."

Wisconsin Life Dividend

The Wisconsin Life of Madison will increase its dividend on policies two years old or more, it being 30 percent over the schedule of 1932, which was 50 percent of the regular scale first adopted in 1930. The first year dividend payable next year will be increased 60 percent of the first year dividend over the 1930 scale. The Wisconsin Life will maintain its interest rate at 5 percent.

Massachusetts Mutual Life

a synonym for

Quality and Excellence

in

Life Insurance



MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Organized 1851

Back

of the Guaranty Life is Found

The impregnable Legal Reserve System
A strong financial foundation
The well seasoned Iowa insurance laws
Discriminately selected investments
A representative Board of Directors
An experienced Home Office management
Modern and liberal policy contracts
Officials who know the problems
An enthusiastic and hard working agency force

These constitute the very elements of permanency and progressive development. Tie to a company that is growing.

Desirable agency connections available in

Iowa
Minnesota

Colorado
Ohio

Lee J. Dougherty, President

Guaranty Life Insurance Co.

Davenport, Iowa

Looking Forward

153 years ago this nation was created. Dark were the clouds that hung over the new republic. Even the immortal Washington felt the sting of slanderous partisanship. Yet the nation's founders built steadily for future stability.

COMMONWEALTH CORDIAL CO-OPERATION

For the future! That is a key-word in COMMONWEALTH service to its agents; to endow them with every possible attribute to permanent growth. That is why so many COMMONWEALTH field men will reach the age of retirement with a comfortable income from renewal commissions built by their own efforts and the constant help of the home office. COMMONWEALTH cordial co-operation is more than a mere name; it is the verbal expression of the ambitions of a growing company of progressive underwriters.

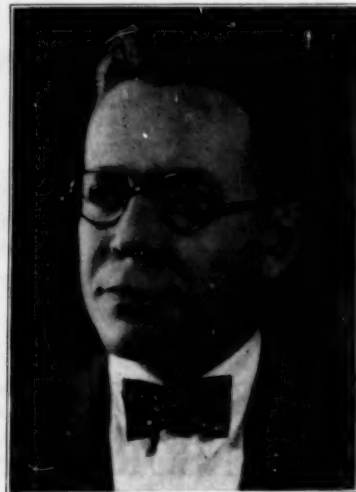
COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

MANAGERS' ASSOCIATION NEWS

H. L. Rogers Named President

Equitable Life of New York Manager Heads Indianapolis General Agents Group

INDIANAPOLIS, Dec. 29.—Homer L. Rogers, Indiana manager of the Equitable Life, was elected president of



HOMER L. ROGERS

the General Agents Association of Indianapolis at its annual meeting. Mr. Rogers began his life insurance career with the Equitable in 1908 and came to Indianapolis as Indiana manager in 1928,

succeeding Frank L. Jones, who was elected vice-president of the company. Dan W. Flickinger, John Hancock Mutual, was elected vice-president M. B. Oakes reelected secretary-treasurer. George K. Jones, Connecticut Mutual, is the retiring president.

Oistad Heads St. Paul Club

ST. PAUL, Dec. 29.—The following officers have been elected by the general agents and managers club of St. Paul: President, E. N. Oistad, Guardian Life; vice-presidents, Ben Bratter, Connecticut Mutual Life; C. W. Kleifgen, Metropolitan Life; secretary-treasurer, J. D. Serrill, Sun Life. G. A. Sattlem, Mutual Life of New York, and O. A. Reeves, New England Mutual Life, were named on the executive board.

Young at Des Moines

DES MOINES, Dec. 29.—Pearce H. Young, superintendent of agencies Central Life of Iowa, spoke at the meeting of the Des Moines General Agents & Managers Association Monday on "Present Day Underwriting Problems." He emphasized in particular that this is the time for managers to take stock of their agencies, evaluating them as a merchant would take inventory of his stock.

Arrange for Annual Meeting

A preliminary meeting of the Minneapolis Association of Managers & General Agents will be held the week of Dec. 26 to make arrangements for the annual meeting, which will be held late in January. H. A. H. Baker, Sun Life of Canada, is president.

NEWS OF LIFE ASSOCIATIONS

Announce Oklahoma Speakers

Hull, Read and Hittson to Be Featured at Sales Congress in Oklahoma City Jan. 28

OKLAHOMA CITY, Dec. 29.—Roger B. Hull, managing director of the National Association of Life Underwriters, will be one of the key speakers at the annual sales congress of the Oklahoma association at Oklahoma City Jan. 28. Other speakers on the program will include Commissioner Jess G. Read, R. H. Hittson, special agent Massachusetts Mutual at Tulsa and former president of the Texas association; F. C. Love, C. L. U. instructor connected with the University of Oklahoma extension department, who will speak on "Taxation"; Dorsey Douglas, also C. L. U. instructor with the university extension department, and H. G. Little, sales promotion manager of General Motors, whose subject will be "The 1933 Salesman."

San Francisco—Karl L. Brackett, general agent John Hancock Mutual Life, a past president, has been appointed national executive committeeman for the coming year. The announcement was made by President J. A. Sullivan following a preliminary organization meeting of the recently elected officers and members of the executive committee. The personnel of the various committees was also named.

Western Massachusetts—The following officers were elected at the annual meeting in Springfield: President, E. C. Taylor; vice-presidents, W. C. Cousins and W. F. Larsen; treasurer, C. A. Ruby; secretary, Stanley Curtis; directors, J. D. Birchard, E. B. Bohner, R. C. Laub, C. B. Rockwell, P. B. Steele, E. C. Agan, Francis Merritt, D. F. Nesbit and Thayer Quinby.

May Organize Entire State

Movement Is on Foot to Promote the Missouri Life Underwriters Association

KANSAS CITY, MO., Dec. 29.—A state-wide Missouri Life underwriters' association is in prospect, if plans formulated recently by the two groups in Kansas City and St. Louis reach fruition. Ed G. Mura, president of the Kansas City association, is chairman of a committee from Kansas City working now with a like committee from St. Louis to effect such an organization. Other members of the Kansas City committee are Wiley Pendleton, Lincoln National, and V. Webner Wiedenmann, Sun Life.

The purpose of the association is to benefit associations in smaller towns out-state, and to create such organizations where none now exist. An annual state sales congress would be held. A meeting will be held early in January to further the project.

Southwest Texas—A small group of members interested in C. L. U. work met for a luncheon in San Antonio. Ross Erwin, Canada Life, spoke on the "Economic Value of the C. L. U. Work"; E. H. Benedict, Missouri State Life, on "College Men Turning to Life Insurance as a Profession," and Matthew Brown, Missouri State Life, "A Definite Program of Study."

Four instructors will be chosen later. The managers and general agents will work on enrollment of those qualified for the course.

Peoria, Ill.—Because many members were ill, the December meeting was indefinitely postponed. J. R. Hastie, president Chicago association, was to have been the speaker and he consented to

PRACTICAL SALES HELPS...

The only company which deposits full legal reserve on life policies with the State of Illinois.

PARTICIPATING NON-PARTICIPATING

A complete line of ACCIDENT & HEALTH policies.

COMPLETE COVERAGE COMBINATION POLICY. (Life and Accident & Health in one contract).

An ORGANIZED SALES PLAN which gets results.

ABRAHAM LINCOLN Life Insurance Company
Springfield, Illinois

H. B. Hill, President

NU

WHEN

Economic night came there was Life Insurance to light the way out. The challenge to enter the Life Insurance business was never stronger than at present. No time was ever richer with stories of its comfort and saving help to human beings.

Liberal direct Home Office contracts for fieldmen, featuring life income provision.

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CLAY W. HAMLIN "DEFINITIZER" SYSTEM

Manual for the manager on Mr. Hamlin's complete time control plans and 5 copies of the "Definitizer" for \$1.00.

Insurance R & R Service
Indianapolis, Indiana

speak in Peoria at a later date. The annual membership drive was conducted with C. W. Reuling as chairman, with the result that membership as of Jan. 1 will exceed that of Jan. 1, 1932. A celebration will be held Jan. 20, at which time C. Vivian Anderson, vice-president of the National association, who is in charge of membership for the central division, will be the principal speaker. Several members are seeking to revive some of the associations scattered over the state which have become inactive during the past few years. On Jan. 3 a group will go to Quincy to assist in reorganization of that association.

Cedar Rapids—C. V. Shepherd, general agent National Life of Vermont, was elected president, succeeding Wallace Darling, who was given a vote of appreciation. Other officers elected were: Vice-president, F. J. Manning, Metropolitan, and Harold Mizener, Connecticut Mutual; secretary, Lee Winterberg, and treasurer, Rudy Weber. The executive committee will be composed of the officers together with R. H. Pickford, Northwestern Mutual; Ed Lowe, Cedar Rapids Life; Elery Turner, Berkshire Life; E. E. Fisher, Occidental Life; John Northcott, Equitable of New York, and Mr. Darling as chairman.

Fort Dodge, Ia.—A. W. Crouch was elected president at the annual meeting; W. E. Cadwell, vice-president; Ewald Trost, treasurer, and P. J. Tierney, secretary.

Southwest Texas—The outstanding purpose of the December meeting in San Antonio was boosting the membership. Including the guests there were more than 200 present.

J. M. Hornor, Aetna Life; J. L. Lawrence, Lincoln National, and L. A. Hanley, Reliance Life, chairman member-

ship, spoke on the value of membership in the association.

Matthew Brown, Missouri State Life, past state president, outlined briefly the requirements for the C. L. U. and discussed its value to the underwriter. A burlesque presentation of the "canned" sales talk was given by Raymond Barnes, Virgil Wilson and Harold Weiner, Missouri State Life.

Louisiana—At the annual meeting in New Orleans these officers were elected: R. H. Haag, Aetna Life, president; C. F. Metzner, vice-president; I. J. Richard, Penn Mutual, secretary; Frank Freidler, Godchaux & Mayer, treasurer. The executive committee includes G. C. Lyman, Pacific Mutual; Francis Selman, J. A. Bumstead, Equitable of New York; C. G. Coyle, Aetna Life; W. B. Monroe, Union Central; Miss B. B. Macfarlane, Pan-American; F. E. LeLaurin, Aetna Life; Randall Walker, New York Life, and C. N. DeRussy, Travelers. Miss Macfarlane is national executive committee-woman.

Nashville, Tenn.—R. B. Hull, managing director National association, gave his address on "Back to Main Street" before 125 members of the Nashville association. The new officers for 1933, elected Dec. 3, were installed. The association had a very successful year, membership having been increased 15 percent over 1931.

New York City—Dr. S. S. Huebner, professor of insurance at the University of Pennsylvania and one of the country's outstanding life insurance authorities, will be the speaker at "Policyholders Night" of the New York City Association on 12. Dr. Huebner's annual address before the association has always been one of its most popular features and draws a packed house.

AS SEEN FROM CHICAGO

SUPERVISORS ELECT LELAND

Samuel Leland, Jr., life department manager of Fred S. James & Co., Chicago, was elected president of the Life Agency Supervisors Association at the annual meeting. He has been secretary since the club was formed over four years ago and succeeds Harry Walters of the Stumes & Loeb general agency of the Penn Mutual. S. S. Kent of the Prudential was elected secretary. Mr. Walters proposed creation of the office of vice-president and of an executive committee, which was delegated to a special committee to consider for action at the next meeting. Mr. Walters told of achievements during the last year, including putting the organization on a formal basis with a constitution and by-laws, making it self-supporting, the service in transcribing and forwarding to members all talks and discussions.

Heads Supervisors



SAMUEL LELAND, JR.

at meetings. There were 17 new members added during the year, there now being 34. Mr. Leland said there is an outstanding opportunity next year because of the meeting of the National Association of Life Underwriters in Chicago for the supervisors' club to become nationally known. He said the idea of a supervisors' organization was conceived in Chicago, which had the first club of this kind, and since then many cities have organized similar clubs.

LEDENSON NAMED ASSISTANT

Milton Ledenson, an agent of the Equitable of New York in Chicago since 1925 and a \$250,000 a year producer, has been appointed assistant agency manager of the D. C. Kemp agency of that company in Chicago.

VIEW ON LOAN REPAYMENTS

Although repayments on policy loans are widely reported by Chicago agencies, there seems to be a general disposition to regard this apparent indication of moderate recovery from the business depression with mental reservations. Although there is no doubt that the policy loan situation appears much improved around Chicago, the feeling is that this may not necessarily mean business is on the mend. Most general agents and managers are convinced that the loan repayments for the most part have come from policyholders who, in face of the many bank failures, got "cold feet" in regard to all financial institutions and decided a safe deposit box was the safest place for the cash value in life policies. When the bank failures eased down and public confidence in remaining institutions was restored, the life insurance money began to come out of hiding. Intelligent policyholders are well informed on the benefits of extended insurance, and doubtless many decided to return some value to their policies so this invaluable aid in time of emergency, such as financial inability or mere careless failure to pay premium before the end of the grace period, again could be ready to operate for their protection.

**And Now—
Monthly Premiums!**

Agents, profiting by the exceptional money-making opportunities of our Golden Rule Contract, now may place Monthly Premium Policies, as well as those on the Annual, Semi-annual or Quarterly basis.

A Monthly Premium Depositing Plan is certain to be popular in times like these.

Columbus Mutual Life
Columbus, Ohio

OPPORTUNITY!

**Desirable Territory Open for General Agencies.
Liberal Contracts.**

THE CAPITOL LIFE
Insurance Company
DENVER, COLORADO

**UNUSUALLY ATTRACTIVE
DIRECT HOME OFFICE CONTRACT
In Unassigned Territory**

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THE UNITED STATES LIFE INSURANCE COMPANY

Organized 1850 In the City of New York Non-Participating Policies Only
Over 80 Years of Service to Policyholders
Good territory for personal producers, under direct contract
HOME OFFICE: 156 Fifth Avenue, New York City



**No Better Territory
No Better Company
No Better General Agent's
Contract Than Our Service
Pension Contract**

THE LAFAYETTE LIFE INSURANCE CO.

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F. L. Alexander, President
W. R. Smith, Field Vice-President
LAFAYETTE, INDIANA



Stephen M. Babbitt
President

HUTCHINSON, KANSAS

Rounding Out the Protection

When the life agent has sold a client a program of insurance, and stopped every gap with financial reserves, he has not completed his work.

Every man is liable to become disabled. The long elimination period to the disability clause of the life contract makes it inadequate.

Our full coverage policies, designed to "fit in" with a life insurance program, should be investigated.

Send in the coupon for further information.

**INTER-OCEAN CASUALTY
COMPANY**
Executive Office
CINCINNATI-OHIO

Inter-Ocean Casualty Co.,
American Bldg., Cincinnati, Ohio.

Please send me information regarding your accident and health policies.

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STREET
CITY N. Y.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

WILL HAVE LECTURE SERIES

The New York City Life Underwriters' Association is sponsoring an educational lecture series which will take place in the Metropolitan Life auditorium Jan. 10-12 and 17-19 from 3 to 6 p. m. Speakers will include Second Vice-President G. M. Lovelace of the New York Life; Vice-President John A. Stevenson of the Penn Mutual Life; Superintendent of Agencies V. B. Coffin of the Connecticut Mutual Life; R. G. Engelsman, general agent in New York of the Penn Mutual Life; Leon Gilbert Simon of the Equitable Life of New York; D. B. Maduro, counsel of the association; and James Elton Bragg, recently appointed manager in New York City for the Guardian Life of New York, and until that time director of the life insurance training course of New York University.

Because of Mr. Bragg's appointment, the training course will be discontinued until next fall, E. J. Sisley, chairman of the educational committee of the association, has announced. This will give the committee an opportunity to select a suitable successor to Mr. Bragg as director of the course.

The thirty weeks preparatory course for the C. L. U. examination however, will be given in the evenings under Mr. Bragg's supervision with lectures by members of the N. Y. U. faculty.

BRAGG TO OPEN NEW OFFICE

James Elton Bragg, director of the New York University life insurance training course, whose appointment as manager in New York City of the Guardian Life of New York was announced last week, will have his new offices in the Woolworth building, 233 Broadway. Appointment of Mr. Bragg's assistants is expected to be announced shortly.

CHRISTMAS PARTIES HELD

The J. S. Myrick agency of the Mutual Life of New York in New York City held a Christmas party at the office last Friday afternoon, with a tree, Santa Claus, and gifts for those attending. A novel feature this year was the orchestra's rendition of music for each presentation, the selection being based on some characteristic of the recipient and resulting in much hilarity. Talks were made by Mr. Myrick, Association Manager W. S. Verplanck, and Selig J. Katzman, chairman of the committee in charge of the party.

The Hancel-Lauer agency of the Continental American Life in New York City was host to about 200 last Friday. Many friends of M. J. Hancel and M. J. Lauer, including those outside insurance, stopped in during the course of the afternoon. "Al" Doty was master of ceremonies.

INCONTESTABLE CLAUSE CASE

There are many disputes regarding the incontestable clause. The Essex county circuit court of New Jersey in Chuz vs. Columbian National takes up the point as to whether the clause is applicable to a reinstated policy. The issue is whether the policy is contestable one year from each reinstatement. The court said if that be read into the policy then the company is barred from setting up fraudulent representations in the application for reinstatement.

Judge Atwell of the United States district court held that the reinstatement of a policy after a lapse as permitted by its terms does not create a new contract, but is a revival of the original and the clause in a policy making it incontestable after two years applies to representations made in the application for reinstatement, for falsity of which the company may contest the policy within two years after they are made. The

inference from this is that the company cannot contest a policy after the expiration of two years from reinstatement. The court says that precisely the contrary opinion is given by Judge Woodward in Alper vs. New York Life, 41 Fed. Rep. (2nd Series) 956. The decision of this question is a matter of first importance in New Jersey.

The Essex court holds that it is at liberty, so far as the decisions in New Jersey are concerned, to adopt whichever policy seems to be the more convincing. The court is convinced that the better reasoning is that of Judge Woodward and holds that the incontestable clause does not apply to reinstatement. It says that the clause being in derogation of common law should be strictly construed and should not be read into the new contract for the reinstatement.

KEANE-PATTERSON MEETING

The Keane-Patterson agency of the Massachusetts Mutual in New York City held a sales congress Dec. 28. There was a session in the morning followed by a luncheon meeting.

A. V. OTT AGENCY WINNER

During "Loyal Legion Week," Dec. 12-17, when every agent and agency of the Equitable Life of New York was expected to go over with a 100 percent participation, the A. V. Ott agency of New York City was the first in the country to qualify, comprising 60 men. This gave it the honor of receiving the first gold and blue silk loyal legion banner presented by the Equitable. Incidentally the Ott agency is ahead of 1930 and 1931 in all departments.

WITH PENNELL AGENCY

Donald K. Angell, editor of "Field Service" and other publications of the State Mutual Life, will join the Frank W. Pennell agency of that company in New York City as assistant to Mr. Pennell, in which capacity he will specialize in educational work. He is a graduate of Wharton School, University of Pennsylvania, where he specialized in insurance. He will be succeeded at the home office by Donald Morrison, who joined the Pennell agency recently. Mr. Morrison has been in newspaper work since his graduation from college a few years ago.

Ohio Law Recodification Is Pushed by State Chamber

The Ohio chamber of commerce is backing a recodification of the state's insurance laws, which work is in the hands of a sub-committee. Insurance men, representatives of insurance organizations and companies have been invited to present their ideas and criticism of existing statutes. It is planned to form a general committee made up of all these interests and to have a meeting in Columbus before long. Some time ago the Ohio State Bar Association attempted the task of recodification but did not finish the work.

The idea is to work out a new insurance code which will be as nearly perfect as possible, fundamentally sound and with the purpose of protecting the interests of the insuring public. There is no thought of producing a code to cater to special interests of any kind, but to coordinate the interests of all types into one basically sound setup. F. B. McMillin, vice-president and general manager of the Hydraulic Press Manufacturing Company of Mt. Gilead, O., is president of the chamber heading the recodification, and G. B. Chandler of Columbus is secretary.

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RECENT LETTERS

The President of a large Company

says:

"It will revolutionize Life Insurance

Selling."

A Superintendent of Agencies says:

"Greatest Selling Idea in a Decade."

An Underwriter says:

"It has doubled my income."

LIFE INSURANCE AS A

PROPERTY INVESTMENT

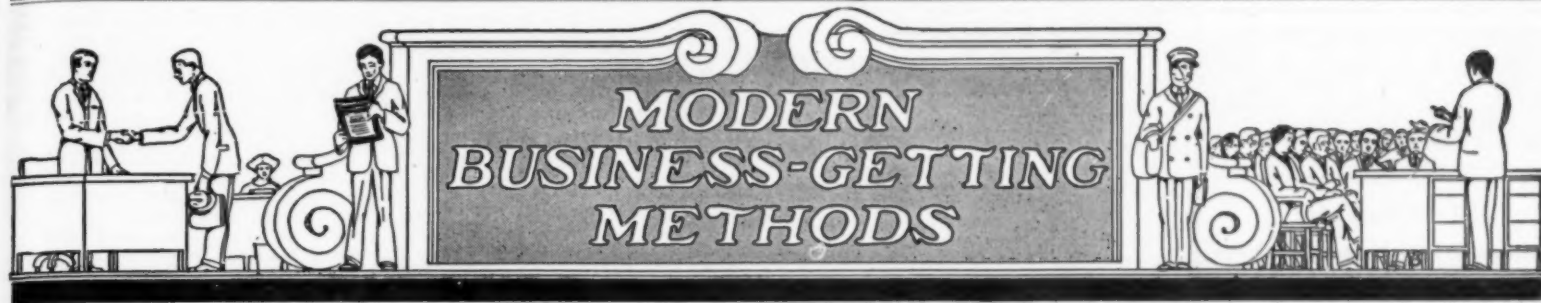
Found only in "The Essentials of

Life Underwriting" by

Abner Thorp, Jr.

The Diamond Life Bulletins

429 E. 4th St. Cincinnati, O.



Life Insurance Is Only Safe Investment for Average Man

Life insurance was termed the only absolutely safe investment open to the average man, in an address at the sales congress of the Toledo Association of Life Underwriters by D. J. Bloxham, supervisor, agency field service, life, accident and group departments of the Travelers.

The speaker gave a summary of the points that should be investigated regarding an investment as follows: Is it safe? Will it increase in value? Will it show a fair income return and is the income sure? Can it be financed easily? Has it a ready market? Can it be used as collateral? Is the maturity date desirable? Is it free from care and worry? Can it be transferred at death without expense or delay?

Various Tests Applied to Insurance Contracts

Applying the various tests to life insurance, other than term, the speaker explained that the factors that make for safety in investment are a selection of high grade securities, wide diversification in selection, continuous and vigilant examination of securities, and trustworthy and competent management.

To find an investment that will certainly increase in value is almost an impossibility, but Mr. Bloxham explained that certain life contracts are exceptions. There is a steady guaranteed appreciation, while other investments fluctuate.

The speaker referred to a recent analysis which showed that the average yield for 20 years on 60 high-grade industrial, public utility, railroad and municipal bonds was 4.78 percent. The average yield on preferred stocks for 21 years was 6.16 percent, and on all common stocks for 20 years, 6.28 percent. The average yield on an ordinary life non-participating policy taken out at age 35 and carried for the expectancy of 33½ years was said to be practically 6 percent.

Life insurance is the only thing a person can buy on the installment plan and have all further payments cancelled by

death or disability. In periods of adversity it can be used as collateral.

Mr. Bloxham declared that a life contract is the only investment which matures by event as well as by date, since the buyer can select the maturity date knowing if he does not reach that date the full amount will be made available in the event of death. The speaker said life insurance is free from care and worry, no probate procedure or expense is necessary.

Mr. Bloxham added that there isn't a particle of sales resistance to the things that life insurance does. He asked what sales resistance can there be to a comfortable old age, to incomes for widows, education for children, to accumulating investments and to safeguarding business?

Despite the fact that the American public has more than one hundred billion dollars of life insurance, he said, the characteristic of Americans to speak in terms of capital gives a false impression of personal security. When an American is asked how much he is worth the answer may be \$100,000, whereas the Englishman will reply a thousand pounds. Men have not yet sensed the income producing possibilities of their estates.

No men are better trained or equipped than life salesmen to lure hoarded dollars out of hiding places. Such funds at the disposal of life companies construct schools, water systems, highways,

Real Way to Sell Young Man on Life Insurance

The tried and true method of selling the young man, a method that works, that has proved itself time and again in practice, is as follows: Ask for and arrange an interview with the young man in the presence of his father. Get the father's endorsement. Young folks are swayed by their parent's judgment. —"Emancipator" of Lincoln National Life.

streets, sewage systems and other municipal improvements. Money so invested gets into circulation quickly in the form of wages and payment for materials. This viewpoint of insurance, according to Mr. Bloxham, presents an unparalleled opportunity for agents to render a patriotic service.

Pushing for Settlement Is Vital Part of Business

A certain amount of diplomacy is of course necessary in life underwriting, but "pussyfooting" and not meeting the issues of the day squarely is a method which can end only in failure, according to C. F. Schuster, manager of the brokerage and new agents department of the W. M. Houze agency of the John Hancock in Chicago. People still have money for pleasure, according to Mr. Schuster, and he believes in pressing a prospect to the admission that if he can drive a car, go to movies, etc., he can buy more life insurance. Mr. Schuster and his men make the point to their prospects that unless they control money in time they will find themselves without money. "I am a firm believer in pushing for the money," he said. "I believe that we can insist that a person is not much of a man if he cannot set aside upwards of \$1 a day for life insurance."

Definite Program Gets Results

A definite program, faithfully carried out, can accomplish surprising results as is shown by Ernest Sobelle's record since joining the Cleveland agency of the Lincoln National Life. Prior to his connection with the Cleveland agency, he had four months previous life insurance experience.

He followed the daily reporting system systematically, and the results for the first two months show: Hours per day in canvassing, 8½; calls per day, 9; interviews per day, 4¾; ratio of applications to interviews, 1 in 13½; average application, \$4,900. Standardized presentations and sales talks were used by Mr. Sobelle in writing over \$68,000 of business in his first two months.

"Have a Cigar" Habit Hit

The Mutual Life of New York advises agents not to make a practice of offering

Writes 48 Apps in One Day for Over Million Business

PHILADELPHIA, Dec. 29.—To prove that life insurance can be sold in these depression times, W. C. Carroll, Philadelphia life man, staged a one-man one-day "depression busting" campaign here last week in which he turned in the record-breaking number of 48 applications for \$1,022,500 of business. A check accompanied every application but one. The business was placed in eight companies. On the same day on which he turned in the 48 applications, his wife presented Mr. Carroll with a baby girl as a prize.

Four years ago Mr. Carroll, in a one-day campaign, turned in 42 applications for \$432,500 of business with a check accompanying each application.

Closes on Second Interview

Most of Mr. Carroll's business was closed on the second interview. He works on a two-interview plan, the first interview being one of securing information upon which to evolve a program to fit the prospect's needs and the second being designed to end in a sale.

During his preliminary campaign he called on close to 200 prospects, finally writing on an average of one out of every four. He met the depression argument with the statement that in his opinion things were on the upgrade and that the depression existed because the public allowed it to and that if the prospect believed that the program did what he wanted to do for his family and himself then there was only one thing for the man to do, to take the policy.

cigars or trinkets to prospects. Some salesmen, according to the Mutual Life, believe that such gifts are necessary. Most strangers resent gifts presented in preliminary business intercourse, even if they accept them in politeness and say nothing but thanks, the Mutual Life vouchsafes. No man likes to feel that his attention can be bought to a serious matter by a cigar.

Girard Life Insurance Company

Philadelphia, Pa.

Has excellent General Agency openings in Ohio, Pennsylvania and Michigan

Generous first year and renewal commissions.
Low net cost policies.

We seek General Agents of high character and ability, who are willing to devote efforts to building a real General Agency.

When writing give us a fair word picture of yourself and your insurance experience.

Your correspondence will be treated confidentially until such time as we have your permission to make inquiry.

Rockford Life Has a Message for You

President F. L. Brown
Rockford Life Insurance Co.
Rockford, Illinois.

It Concerns Contract Direct
With The Company

Dear Sir:

SEND ME THE MESSAGE

Name

Address

City..... State.....

WANTED—TRAVELING SUPERVISOR—Life Insurance Company, with Home Office in the East (rated "A" by Best's) is in need of the services of an experienced Supervisor having thorough knowledge of the Eastern territory, to appoint, train, and supervise new agents. Please give full details in first letter, including age, education, past experience and qualifications, as well as salary expected. Address Box X-12, The National Underwriter, 123 William St., New York City.

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

Of course issued in larger amounts

ALL PREMIUMS RETURNED

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%

Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter

Write for Sample and Particulars

This is one of many unique contracts issued by

Federal Union Life
FRANK M. PETERS, President
Cincinnati, Ohio

OFFERING

Top commissions and renewals to men qualifying as District Agents.

WALTER F. TURCK
Suite 506—757 No. Broadway
MILWAUKEE

A STRONG PROGRESSIVE YOUNG COMPANY

Offers real opportunity to men who are capable of developing state agencies in Minnesota, Nebraska and Arkansas.

Special policies geared to present day conditions.

Address X-7, The National Underwriter, Chicago.

Life Insurance—Trust Service

now go hand in hand. Men of affairs demand both. Life Insurance creates the estate. The Life Insurance Trust safeguards it.

Send for booklet
The Life Insurance Trust
Chicago Title & Trust Company
© West Washington St.

Record Fine But Need Renovation

(CONTINUED FROM PAGE 3)

were measures adopted to meet this condition.

Dr. McCahan touched on the disability clause revision and withdrawal of many companies from the field of disability income coverage. He said correspondence from company officials indicates the depression has tended to increase disability losses under policies written on the old basis. The disability clause on group life also was a source of worry which was discontinued by the group conference last summer.

He said although there was some concern for the prospect of lower volume in force at the end of this year, the estimated total of \$103,700,000,000 on lives of 65,000,000 policyholders will exceed the outstanding amount at the end of 1929 and is twice as great as the volume in force ten years ago. He said some persons believe life insurance may be entering an era such as 1874-1885, though he does not hold this pessimistic point of view. The public then was not so thoroughly educated on life insurance as now; policy loans did not play the important part that they have during the last three years. Life insurance was not, generally speaking, well administered or supervised and it was not viewed from an investment angle.

Careful Agency Selection

The problem of dwindling volume has been a serious one for life companies and their agents and he said this would seem an opportune time to take on men of ability perhaps not previously interested in life underwriting, but there should be great care in their selection and a real effort made to sell them on the business and train them to render high grade service.

Dr. McCahan touched on the high turnover among agents. He said to those familiar with the work of the American College the answer to this problem appears not to be in acceptance of a high turnover as a natural condition which cannot be avoided, but rather in proper direction and upbuilding of life underwriting forces with a view to reducing this to a minimum,

education playing a very important part.

He sees life underwriting developing in three directions: First, the group of C. L. U. men and women who render professional service; second, a substantial group of agents who sell insurance to the masses, able to purchase policies of relatively small size and needing only a simple settlement service; finally, managers and general agents selected not only because they have the education and training of a competent life underwriter, but also executive and organizing ability which will enable them to meet business and sales management problems of administering an agency.

Surrender and Lapse Problem

One of the truly great problems, he said, is the tremendous volume of surrenders and lapses. In 1931, the last for which complete data are available, new ordinary, industrial and group business written and paid for by 342 companies totaled \$17,226,248,427, of which \$4,847,103,856 was industrial; and in the same period \$15,870,864,610, of which \$4,780,868,796 was industrial, went off the books. Of total terminations, \$12,321,512,397 represented surrendered or lapsed policies. Reduced to percentages on all classes of business terminated in 1931, 6.1 percent of the volume was terminated by death, 0.8 of 1 percent by maturity, 8.3 expiry, 7.1 percent by change, 0.1 percent disability and 77.6 percent surrender or lapse. On ordinary, 75.7 percent of terminations were by surrender or lapse.

A possible means for reducing lapses and surrenders lies in the revision of agency contracts. Dr. McCahan said, since it is difficult to interest the agent in persistency of business he writes so long as his compensation is derived largely from first year commissions.

Vast Sum in Loans

Policy loans have grown greatly and the ultimate surrender of many of the loaned policies appears inevitable. Dr. McCahan said though the demand for policy loans has decreased materially in late months, the problem remains difficult to solve because of the great total. Loans made in cash during the past three years aggregated over \$2,000,000,000, while those obtained to pay premiums were more than \$400,000,000, total policy loans now being about \$3,750,000,000, or 18.4 percent of all assets, an increase from 13.3 in 1929. Dr. McCahan made the point that the Reconstruction Finance Corporation has rendered very little assistance to life companies in comparison with the billions paid out in cash by life companies in the last three years.

The lapsation problem is not due solely to inability of policyholders to carry their insurance through difficult times, nor is surrender due entirely to the need for cash, he said, but there has been an unfortunate tendency among some agents to encourage lapsation and surrender of heavily encumbered policies in order to write new business.

Agency Turnover a Handicap

An attempt was made to meet the situation through an agreement signed by 55 companies; insurance commissioners, insurance journals and company officials have endeavored to overcome the evil, but Dr. McCahan said their efforts have been handicapped in large part by the rapidly changing personnel of agency forces. Thus, he said, agency turnover bears a direct relationship to lapsation and neither can be solved satisfactorily until both are solved. At the same time emergency measures are highly desirable and every effort should be made to discourage such practices and to raise ethical standards of the whole fraternity.

One suggestion to check the tendency toward lapse or surrender of loaned policies was that policies be re-written at attained age for net difference between the loan and original face, reduced commission being paid on the new policy, but this met with considerable opposition. Dr. McCahan said the validity of certain of the objections may

be admitted, yet it is hoped some satisfactory plan will be worked out which will permit readjustment on an equitable basis when a policyholder cannot conceivably finance reinstatement of the loan.

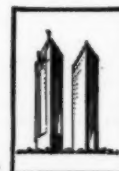
No Cause for Alarm

Changes in rates and dividends should not be viewed with alarm, and there appears to be no inclination thus to regard them. The powerful forces which caused the depression, taken with increased taxation and decreased investment earnings, necessarily influenced life insurance costs, directly with non-participating companies by bringing higher rates and indirectly with participating companies through reduced dividends. Many companies have revised dividend scales downward and some have revised rates. Dr. McCahan said the problems of risk selection, quality production, agency development and conservation still must be met even though business conditions improve soon and substantially. The success of a company in meeting these problems will have far greater bearing upon its future than the matter of cost.

Cox Sees Upward Swing

An upward swing in life insurance sales by the Union Central for the last six months of 1932 and indication that the trend will continue in 1933, is reported by President W. Howard Cox. He believes the outlook for the business is better than it has been at any time in several years. Mr. Cox emphasizes the necessity of adapting sales and merchandising methods to meet the rapidly changing economic conditions. He believes 1933 will be a year of "unprecedented business opportunity for those who have a grasp of conditions as they exist." Too many people are waiting for prosperity to return, he says. Mr. Cox comments that the "merchandised selling" plan developed by the Union Central has been highly successful. Since last July the ratio of sales has run about 22 percent ahead of the combined sales generally in life insurance field. Union Central sales for the last six months of 1932 will exceed the same period last year.

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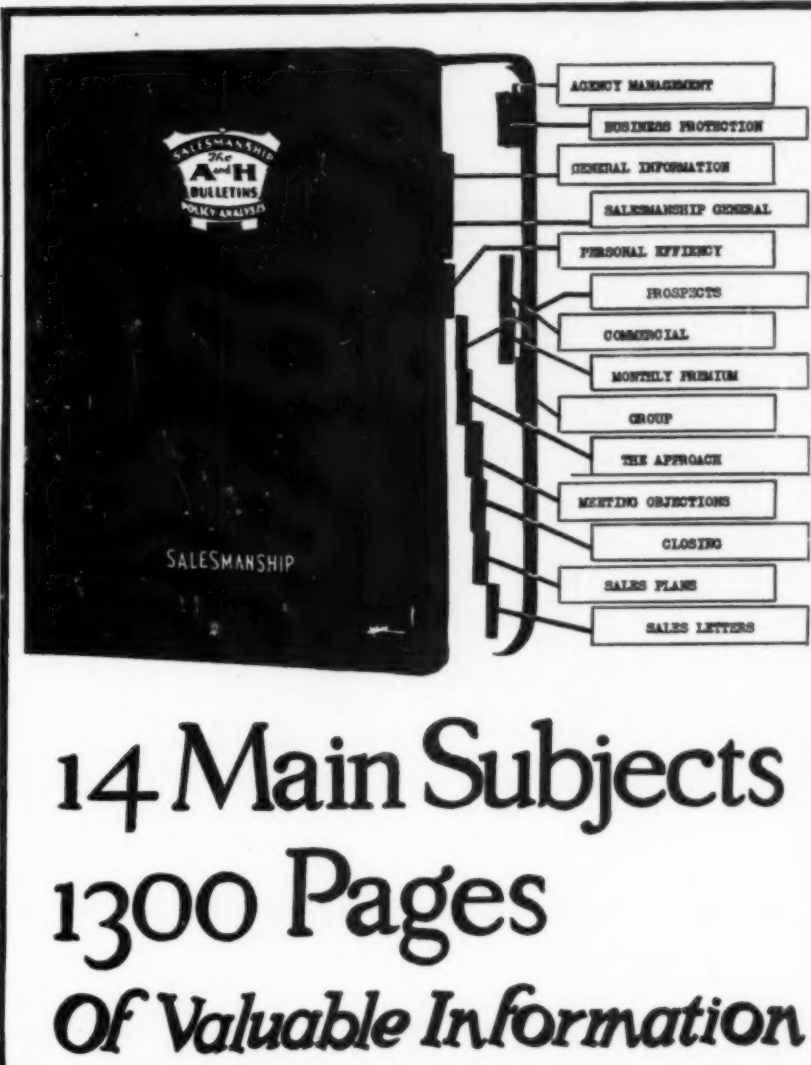
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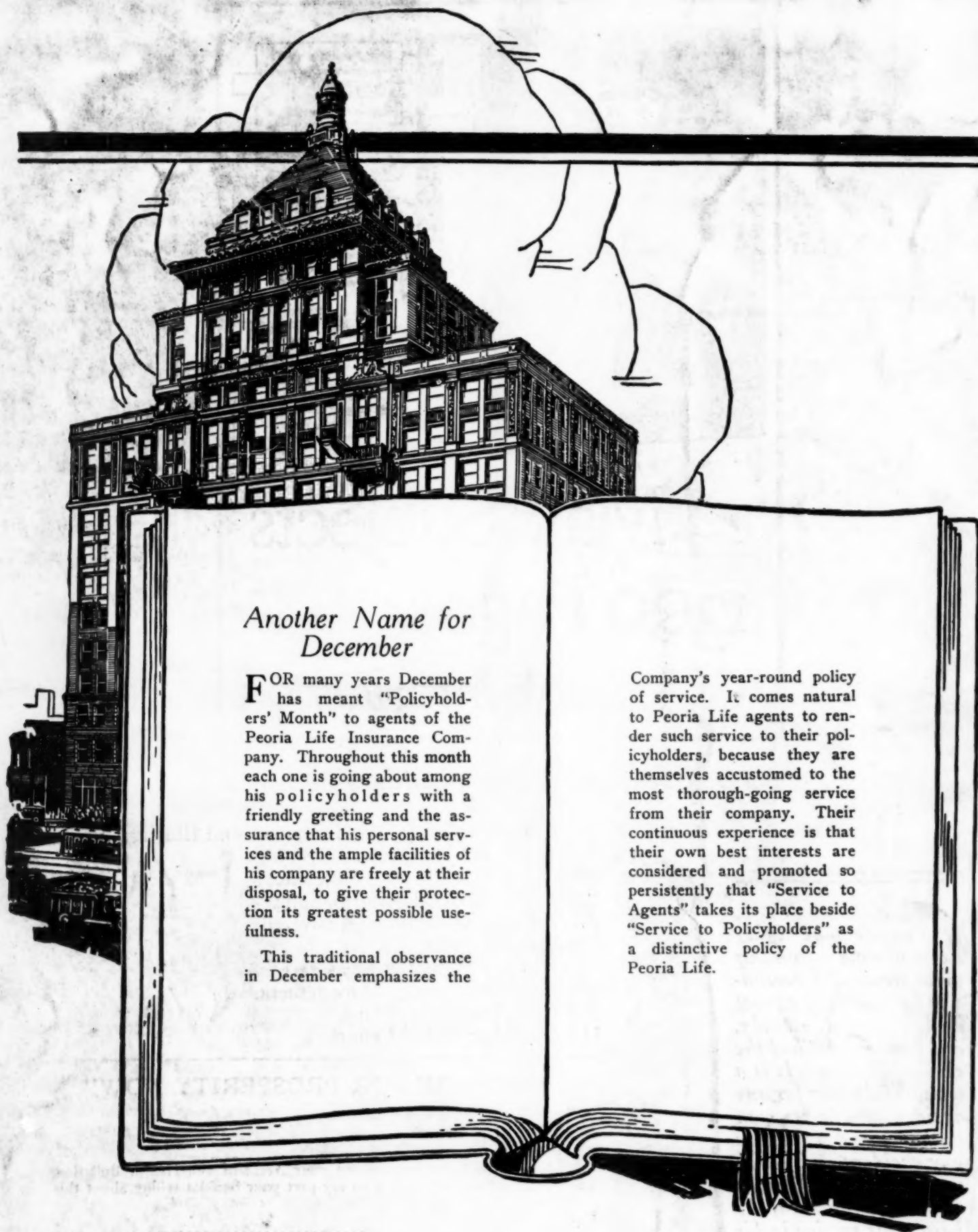
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Another Name for December

FOR many years December has meant "Policyholders' Month" to agents of the Peoria Life Insurance Company. Throughout this month each one is going about among his policyholders with a friendly greeting and the assurance that his personal services and the ample facilities of his company are freely at their disposal, to give their protection its greatest possible usefulness.

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